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NAVAL CRIMINAL INVESTIGATIVE SERVICES
RECORDS MANAGEMENT DIVISION
LAW ENFORCEMENT RECORDS

Name: BOOZ ALLEN AND HAMILTON INC

AKA:

Social Security Number:

Context: S

Date of Birth:

State of Birth:

Country of Birth:

Case Number: 05MAY9405CS0153

Dossier: 253804

DCII INDEX CODE:
K = 50 YEARS

RECORD SERIES #:
5580/4A(1)(B)

Date Closed:
19970618

RECORD SERIES (FILE PLAN)

Gen Mgmt, Sec & Safety Svcs - Provide Security Svcs - Law Enforcement - NCIS Criminal Investigative - Controlled Death & Sex Investigations

Criminal Investigative Reports

COMMENTS

Imaged by IMC

☐ Polygraph Examination Conducted

☐ Finger Prints Submitted to Code 24B3

☐ Sexual Offender Registry Completed

☐ Final Disposition Report to FBI

CIS - _____

☐ Closed Status ☐ Dup Title ☐ Dup CCN

Disclosure/Accountability Statement: If this investigation is disseminated outside NCIS, complete NCIS Form 009/10-80, and ensure it is retained in the case file.

I _____ certify that this document has been reviewed and is complete.

DATE

SIGNATURE

Unclassified when separated from attachment unless otherwise indicated.

F13-1073 000001

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Privacy Act Statement

09/07/98

FILE IN THE APPLICABLE PARAMETERS: NNIS TRANSACTION FORMAT

NAME - LAST, FIRST, MIDDLE: = D 253804
DOSSIER NUMBER = 98
YEAR INDEXED = 6 (0=OPEN CASE)
RETENTION CODE = S

NAME CONTEXT = BOOZ ALLEN AND HAMILTON INC

IMPERSONAL TITLE =

GEOGRAPHICAL LOCATION =

SELECT APPROPRIATE FUNCTION KEY:

PF1 = DELETE TRANSACTION

PF3 = DELETE AND RETURN TRANSACTION

***** YOU MAY NOW ENTER DATA *****

ENTER = ADD TRANSACTION

PF9 = ADD AND RETURN TRANSACTION

CLEAR = CANCEL SESSION

ELECTRO LABS				SB=	CB=	
Dossier Loc=FOSI	YR=1981	Number=8119D556-1639			Ctx=SUBJECT	RTN=15 Year
ELECTRI CON				SB=	CB=	
Dossier Loc=NNIS	YR=1987	Number=D 309503			Ctx=SUBJECT	RTN=25 Year
ELECTRITODO SA				SB=	CB=	
Dossier Loc=NNIS	YR=1992	Number=D 1222370			Ctx=CROSS REF	RTN=25 Year
ELECTRONIC AIR PRODUCTS INC				SB=	CB=	
Dossier Loc=NNIS	YR=1986	Number=D 137900	COR		Ctx=CROSS REF	RTN=25 Year
ELECTROMATION COMPANY INC				SB=	CB=	
Dossier Loc=ACRD	YR=1959	Number=179969			Ctx=SUBJECT	RTN=40 Year
ELECTROMIX				SB=	CB=	
Dossier Loc=ACRD	YR=1969	Number=01168860			Ctx=SUBJECT	RTN=40 Year
ELECTROIMPEX				SB=	CB=	
Dossier Loc=FOSI	YR=1966	Number=66HQD127-261/301			Ctx=IMPERSON	RTN=Permanent
ELECTRIC WAY				SB=	CB=	
Dossier Loc=ACRD	YR=1968	Number=13512235			Ctx=VICTIM	RTN=40 Year
ELECTRIC SERVICE COMPANY				SB=	CB=	
Dossier Loc=ACRD	YR=1957	Number=142783			Ctx=VICTIM	RTN=40 Year
Dossier Loc=ACRD	YR=1966	Number=016351 H			Ctx=VICTIM	RTN=40 Year
ELECTRIC SUPPLY CO				SB=	CB=	
Dossier Loc=ACRD	YR=1957	Number=142444			Ctx=VICTIM	RTN=40 Year

ELECTROCOM AUTOMATION INC	SB=	CB=
Dossier Loc=DDIS YR=1991 Number=304D072550	Ctx=IMPERSON	RTN=15 Year
Closed Date=		
ELECTRO COMP INC	SB=CT	CB=US
OPEN Loc=DODIG YR=1986 Number=N8623018N	Ctx=SUBJECT	
ELECTRO COMP INC	SB=	CB=
Dossier Loc=NNIS YR=1990 Number=D 1216094	Ctx=CROSS REF	RTN=25 Year
ELECTRICAL WAREHOUSE	SB=	CB=
Dossier Loc=ACRD YR=1961 Number=001343 R	Ctx=VICTIM	RTN=40 Year
ELECTRIC BOAT DIVISION	SB=	CB=
Dossier Loc=NNIS YR=1983 Number=D 182848	Ctx=SUBJECT	RTN=Permanent
Dossier Loc=NNIS YR=1993 Number=D 486149	Ctx=	RTN=Permanent
Dossier Loc=NNIS YR=1994 Number=D 486149	Ctx=	RTN=25 Year
Dossier Loc=NNIS YR=1998 Number=D 486149	Ctx=	RTN=Permanent
OPEN Loc=NNIS YR=1999 Number=D 059809	Ctx=CROSS REF	
ELECTRIC BOAT	SB=	CB=
Dossier Loc=NNIS YR=1987 Number=M14980866	Ctx=SUBJECT	RTN=Permanent
ELECTROVATOR CORPORATION	SB=	CB=
Dossier Loc=ACRD YR=1988 Number=16669847	Ctx=SUBJECT	RTN=40 Year
ELECTRO MAGNETIC APPLICATIONS INC	SB=	CB=
OPEN Loc=DODIG YR=1987 Number=N8710266Q	Ctx=SUBJECT	

ELECTRIC PLATE ENGRAVING	SB=	CB=			
Dossier Loc=NNIS YR=1983 Number=DM 062900			Ctx=SUBJECT	RTN=25 Year	
ELECTRIC BOAT CORP	SB=	CB=			
Dossier Loc=NNIS YR=1997 Number=D 182848			Ctx=SUBJECT	RTN=Permanent	
ELECTRO MAVIN	SB=	CB=			
Dossier Loc=NNIS YR=1992 Number=D 065530	FRC		Ctx=SUBJECT	RTN=25 Year	
ELASTIC DOOR	SB=	CB=			
Dossier Loc=AIRR YR=1997 Number=025540563W			Ctx=CROSS REF	RTN=25 Year	
ELECTRIC BOAT CORPORATION	SB=CT	CB=US			
OPEN Loc=NNIS YR=1999 Number=D 469809			Ctx=SUBJECT		
OPEN Loc=NNIS YR=1998 Number=D 253804			Ctx=CROSS REF		

INSERT SHEET

SUBJECT Booz-Allen & Hamilton Inc.

MATERIAL NUMBER M1658006

RELOCATION NUMBER D#25-38-04

CLASSIFICATION **FOR OFFICIAL USE ONLY**
NAVAL CRIMINAL INVESTIGATIVE SERVICE
RETENTION CONTROL SHEET

SUBJ: C/BOOZ, ALLEN & Hamilton INC

DOSSIER #: 253804

CCN: 05MAY94-05CS-0153-4GNA/C

X-REF (Name/ROI Para.NO):

Date file closed: 18 JUN 97

Date Acquired/Reviewed: 09 JAN 97

Reviewer's Code: 231

Reviewer Signature: [Signature]

(b)(6), (b)(7)(C)

RETENTION CODE: G

CCS (DATE/Init): JUL 29 1997

☒ Closed Status ☐ DUP Titles

(b)(6), (b)(7)(C)

☐ ASSOC CCN ☒ DISP

A=1 B=3 C=5 F=15 G=25 L=PERM

☐ REVIEW FOR PROHIBITED INFORMATION: No information that is prohibited from collection and retention by SECNAVINST 3820 Series is contained in this investigative file.

DATE AND INITIALS

REVIEWER'S ENTRIES

JAN 22

(b)(6), (b)(7)(C)

CONTINUED ON REVERSE

DOD DISSEMINATION:

DOD-IG
NAVSUPSYSCOM-IG
NAVSEASYSYSCOM-IG
NAVAIRSYSCOM-IG
NAVFACENGCOM-IG

NAVY-IG
NAVY JAG
NAVCOMPT
NAVSPAWAR-IG
NAVMEDCOM-IG

NSGHO
PERS-81
PERS-82
PERS-83
PERS-655

DCIS
CNO-N29
NAFCWASH
NCIS-21
DONCAF

ONI
AFIP
DEF LOGISTICS AGY
MIL POSTAL SVCS AGY

CMC-POS
CMC-JAM
CMC-INTC
NAVRESSO

DISCLOSURE ACCOUNTING RECORD: This sheet is to remain affixed as a permanent part of the record. An appropriate entry must be made each time the record or any information from the record is viewed by, or furnished to, any person or agency, except: (1) Disclosure to DOD personnel having need to know in the performance of their official duties and (2) Disclosure of items listed in subparagraph 1.4.b(2) of SECNAVINST 5211.5 Series. Disclosure record must contain the date of disclosure, name and address of the person and agency to whom the disclosure is made, purpose of disclosure, name of subject of disclosure, and description of material disclosed.

DATE DISCLOSED	DISCLOSED TO (NAME & AGENCY ADDRESS)	PURPOSE	SUBJ/DESCRIPTION OF MATERIAL

CONTINUED ON REVERSE

CASE ACTIVITY REPORT (Continuation)
REVIEWER'S ENTRIES

DATE AND INITIALS

REVIEWER'S ENTRIES

DISCLOSURE ACCOUNTING RECORD (Continuation)

DATE DISCLOSED	DISCLOSED TO (NAME & AGENCY ADDRESS)	PURPOSE	SUBJ/DESCRIPTION OF MATERIAL

[illegible]

NOV 11 - 747 325 DMIT

CLOSED CASE CERTIFICATION/RELEASE SHEET

GEN CRIM and FRAUD: Check the appropriate box(s) that apply to the subject or co-subject:

<input type="checkbox"/> Navy Officer	<input type="checkbox"/> USMC Officer
<input type="checkbox"/> Navy Enlisted	<input type="checkbox"/> USMC Enlisted
<input type="checkbox"/> Security Clearance (Confidential and above)	<input type="checkbox"/> Reservist

PROCUREMENT FRAUD CASES ONLY: Check the appropriate box(s) that apply to the subject, co-subject(s) or investigation:

<input type="checkbox"/> DCAA Early Alert (Form 2000)	<input type="checkbox"/> DODIG Subpoena
<input type="checkbox"/> Voluntary Disclosure	<input type="checkbox"/> QUI Tam
<input type="checkbox"/> DLA Contracts	<input type="checkbox"/> Navy Exchange
<input type="checkbox"/> NAVAIR related contracts	<input type="checkbox"/> NAVSEA related contracts
<input type="checkbox"/> SPAWAR related contracts	
<input type="checkbox"/> Supply system related matters	
<input type="checkbox"/> Construction or Clean contracts	
<input type="checkbox"/> Program Fraud Civil Remedies Act	
<input type="checkbox"/> Security Department Personnel	
<input type="checkbox"/> Defense Fuel Supply Center/Fuel Cases	
<input type="checkbox"/> Medical or Hospital related contracts/matters	

CERTIFICATION/RELEASE:

CONTROL NUMBER: 05MAY94-05CS-0153-4GNA/C

NI TITLE: C/BOOZ, ALLEN & HAMILTON INC, BETHESDA, MD

THIS INVESTIGATIVE CASE FILE IS CERTIFIED COMPLETE AND READY FOR RELEASE TO FINISHED FILES (NCISHQ) BY:

(b)(6), (b)(7)(C)
(b)(6), (b)(7)(C)

ED)

23 Jun 97

DATE

REV. 03/97

C50629L
//23/CS//

124650

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (DATA)

18JUN9Z

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-46NA/C

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC

(b)(6), (b)(7)(C)

SPECIAL AGENT

INVESTIGATIVE DATA

- 1 = NA
- 2 = NA
- 3 = H
- 4 = B
- 5 = 71
- 6 = 1094
- 7 = NA
- 8 = 0495
- 9 = C
- 10 = E3
- 11 = 006928857
- 12 = NA
- 13 = B
- 14 = NA
- 15 = 135084
- 16 = B
- 17 = NA
- 18 = 135084
- 19 = D
- 20 = NA
- 21 = C
- 22 = NA
- 23 = C
- 24 = B
- 25 = A
- CW = NA
- GP = NA

DISTRIBUTION

NCISHQ: 0023
NCISFO: XXXX

JUL 29 1997 (b)(6), (b)(7)(C)

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(b)(6), (b)(7)(C)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (DISP)

18JUN97

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA/C

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC (b)(6), (b)(7)(C) SPECIAL AGENT

DISPOSITION DATA

- 1 = 1094
- 2 = A71
- 3 = 0495
- 4 = 121
- 5 = NA
- 6 = G
- 7 = NA
- 8 = NA
- 9 = NA
- 10 = NA
- 11 = NA
- 12 = NA
- 13 = NA
- 14 = NA
- 15 = NA
- 16 = H
- 17 = E
- 18 = 0297
- 19 = 135084
- 20 = K
- 21 = C
- 22 = NA
- 23 = NA

DISTRIBUTION

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (CLOSED)

18JUN97

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-46NA/C

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCES

- (A) NCISFO CHARLESTON ROI/25MAY95
- (B) NCISFO CHARLESTON ISR/29AUG95
- (C) NCISRA CHARLESTON ISR/11JUN96

CASE SUMMARY

1. Subsequent to completion of this investigation and an audit of contract N00612-91-D-8001 by the Defense Contract Audit Agency (DCAA) a Contracting Officer's letter was forwarded to C/BOOZ, ALLEN & HAMILTON requesting compensation for accounting irregularities and use of unqualified personal during performance of this contract. The Contracting Officer's letter is Exhibit (1).

2. An offer of \$135,084.31 was made by C/BOOZ, ALLEN & HAMILTON and accepted by the government. By a modification to the contract the government was reimbursed the agreed upon amount. Exhibit (2) is the modification. Investigation is closed.

EXHIBITS

- (1) Ltr from Contracting Officer to BH&A/11Sep96... (Copy All)
- (2) Modification no. P00025/24Feb97... (Copy All)

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NCISHQ: 0023 (M)

INFO: COMMAND (M) (b)(6), (b)(7)(C)

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Pages 13 through 31 redacted for the following reasons:

-----Pages (13) - (29), Exhibit (1): Referred to the Space and Naval Warfare Systems Command, Freedom of Information Act Office (Code 3.5), 4301 Pacific Highway, OT-4, San Diego, CA 92110-3127

Pages (30) - (31), Exhibit (2): Write to Booz Allen & Hamilton, 8283 Greensboro Drive
McLean, Virginia 22102

050573L
//23/CS//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

15NOV96

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) CACS ROI/23JUL96

CASE SUMMARY

1. Subsequent to this investigation and the completion of an audit of contract N00612-91-D-8001 by DCAA a letter was sent to C/BOOZ, ALLEN & HAMILTON by the Contracting Officer requesting recoupment for accounting irregularities uncovered by the audit and for devalued services received by the government as a result of the use of unqualified personnel on this contract. Per contact with (b)(6), (b)(7)(C) NISE EAST, on 17Oct96, a tentative offer of \$137,00.00 was made by C/BOOZ, ALLEN & HAMILTON. (b)(6), (b)(7)(C) stated this offer is pending evaluation by the government.

ACTION/LEAD

I.DIST...Case status.

DISTRIBUTION

NCISHQ: 0023

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(b)(6), (b)(7)(C)

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C-505422

//23/CS//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

23JUL96

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCES

- (A) CACS ROI/25MAY95
- (B) CACS ISR/29AUG95
- (C) CACS ISR/11JUN95

CASE SUMMARY

1. As reported by Reference (A), this investigation was initiated following receipt of information from a former employee of C/BOOZ-ALLEN & HAMILTON that unqualified personnel, including the Program Manager were working on contract N00612-91-D-8001 at NISE EAST. A review of contract N00612-91-D-8001 indicated that although the contract was awarded in Nov90, as of May94 when this investigation was initiated, resumes had not been provided to the Contracting Officer or the Contracting Officer's Representative for approval as per the key personnel requirements of the contract. When resumes were provided to and reviewed by Reporting Agent, several discrepancies were noted (see Exhibit (3) of Ref (A)). Additional information surfaced when Cooperating Witness (CW) advised that

(b)(7)(D)

(b)(7)(D)

(b)(7)(D)

Interviews of two employees confirmed used planned time sheets and sometimes changed man-hours from one delivery order to another. Audit assistance from the Defense Contract Audit Agency (DCAA) was requested in Apr95.

(b)(6), (b)(7)(C)

2. As reported by Reference (B), employees of C/BOOZ-ALLEN & HAMILTON, Charleston office, were interviewed on 03AUG95.

Several employees

(b)(6), (b)(7)(C)

were actually subcontractors and had not provided resumes to the government. Most identified as the Program Manager and stated they were provided planned time sheets by Exhibits (3) through (17) of Reference (B) pertain.

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

3. As reported by Reference (C), DCAA provided interim and final reports for their audit of contract N00612-91-8001. DCAA'S audit of this contract for the fiscal years ending 31Mar93, 94 and 95, and which focused on the switching of labor hours between delivery orders, disclosed accounting irregularities totalling \$46,155.23 (not including allocable indirect expenses). On 20Jun96, audit results were discussed with Command representatives

(b)(6), (b)(7)(C)

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PAGE 1

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

05MAY94-05CS-0153-4GNA

23JUL96

C/BOOZ, ALLEN & HAMILTON INC

(b)(6), (b)(7)(C)

Contract Admin,

(b)(6), (b)(7)(C)

Contract Admin.

4. On 16Jul96, Mary Gordon BAKER, Assistant U. S. Attorney, Charleston declined prosecution of C/BOOZ-ALLEN & HAMILTON or any of its employees due to the lack of criminal intent and availability of administrative remedies by the government in regards to the mischarging of labor hours to the U. S. Navy by C/BOOZ-ALLEN & HAMILTON.

5. This investigation has been completed and is pending administrative action by NISE EAST.

ACTION/LEAD

I.0023....Active investigation completed. Case pending administrative action.

DISTRIBUTION

NCISHQ: 0023

INFO: COMMAND (M)/DCAA ROSSLYN BRANCH (M) /✓
DCAA MID-ATLANTIC REGION (M)

(b)(6), (b)(7)(C)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

11JUN96

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC, (b)(6), (b)(7)(C) SPECIAL AGENT

CASE SUMMARY

1. The Defense Contract Audit Agency (DCAA), Rosslyn Branch Office provided an Interim Report, dated 14Mar96, to NCISRA Charleston of their audit of contract N00612-91-D-8001. The report, Exhibit (1), listed irregular transactions noted in the adjusted entries made to the contractor's incurred labor costs. A copy of the Interim Report was provided to Command.

2. DCAA provided a final Audit Report, dated 24Apr96, which disclosed accounting irregularities totalling \$46,155.23 (not including allocable indirect expenses) pertaining to labor costs associated with this contract. A copy of the Audit Report was provided to Command.

3. Investigation is pending review of DCAA's Audit Report with Command to determine the government's total loss and the appropriate course of action in response to C/BOOZ-ALLEN & HAMILTON's mischarging of incurred labor costs and use of unqualified personnel during this contract.

EXHIBITS

- (1) DCAA Interim Report/14Mar96... (Copy 0023)
- (2) DCAA Audit Report/24Apr96... (Copy 0023)

DISTRIBUTION

NCISHQ: 0023 (M) ✓

INFO: COMMAND (M) ✓ / DCAA ROSSLYN BRANCH (M) ✓
DCAA MID-ATLANTIC REGION (M) (b)(6), (b)(7)(C) 714

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MID-ATLANTIC REGION ROSSLYN BRANCH OFFICE
DEFENSE CONTRACT AUDIT AGENCY

6800 VERSAR CENTER, SUITE 329
SPRINGFIELD, VA 22151-4147
TELEPHONE (703) 325-9542
FAX (703) 325-0411

IN REPLY REFER TO

6331-96H48600001

14 March 1996

MEMORANDUM FOR SUPERVISORY SPECIAL AGENT, DEPARTMENT OF THE NAVY,
NAVAL CRIMINAL INVESTIGATIVE SERVICE
CHARLESTON NAVAL BASE
CHARLESTON, SOUTH CAROLINA 29408-1941

ATTENTION: [REDACTED] Supervisory Special Agent

REFERENCE NO. 05CS-0153-4GNA, 5 May 94

SUBJECT: Interim Results of Auditor Assistance on the Investigation of
Booz-Allen & Hamilton, Inc., McLean, VA

Pursuant to your request, we are forwarding our interim results of audit on the above case.

We have evaluated the contractor's labor costs incurred on Contract No. N00612-91-D-8001, for CFY's 1993, 1994 and 1995. We reviewed 100% of all adjusting entries made to incurred labor, via the contractor's standard form (Time Input Adjustment Sheet, or TIA). All adjusting entries were reviewed for:

- The switching of labor between different delivery orders (which the contractor calls "tasks" in their records);
- Contract funding versus costs incurred to date at the time of the labor adjustment
- Timeliness of the adjusting entry;
- Consistency between individual employee travel vouchers and their labor incurred.

In addition, we have also reviewed the largest adjusting entries for Other Direct Costs. Our interim results are presented on the attached pages.

In our opinion, the transactions presented represent irregularities, and not routine accounting adjustments. Our documentation and workpapers, are available for your review. Should you require further assistance, please call [REDACTED] Supervisory Auditor, at [REDACTED] or FAX (703) 902-3013, or [REDACTED] Auditor, at [REDACTED]

[REDACTED]

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Pages 37 through 43 redacted for the following reasons:

Pages (37) - (43): Write to Booz, Allen & Hamilton, 8283 Greensboro Drive
McLean, Virginia 22102



DEFENSE CONTRACT AUDIT AGENCY



AUDIT REPORT

24 April 1996

Prepared For:

Supervisory Special Agent
Department of the Navy
Naval Criminal Investigative Service
Charleston Naval Base
Charleston, South Carolina 29408-1941

Prepared By:

DEFENSE CONTRACT AUDIT AGENCY
ROSSLYN BRANCH OFFICE
6800 Versar Center, Suite 329
Springfield, Virginia 22151-4147
Telephone No. 703-325-9542
FAX No. 703-325-0411

Subject:

Investigative Audit Support for Case No. 05CS-0153-4GNA, 05 May 1994

References:

PCO: None
ACO: None
DCAA: Audit Report No. 6331-96H48600001

Contractor:

Booz Allen & Hamilton, Inc.
8283 Greensboro Drive
McLean, Virginia 22102-3838709

Report Release Restrictions:

See Page 7

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Subject of Audit	1
Executive Summary	1
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Results of Audit	2
Contractor Organization and Systems	3
DCAA Personnel and Report Authorization	6
Audit Report Distribution and Restrictions	7

Page No.

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SUBJECT OF AUDIT

As requested in your 12 April 1995 letter, we have audited Booz-Allen & Hamilton, Inc.'s (BAH's) accounting records, time sheets, time input adjustment (TIA) sheets and other pertinent documentation to determine if there was evidence of accounting irregularities on Contract No. N00612-91-D-8001. Our audit covered the period 1 April 1992 through 31 March 1995 (CFY's 1993, 1994 and 1995).

EXECUTIVE SUMMARY

Our audit disclosed evidence of accounting irregularities pertaining to labor costs incurred.

SCOPE OF AUDIT

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the data and records reviewed are free of material misstatement. An audit includes:

- reviewing the contractor's internal controls, assessing control risk and determining the extent of audit testing needed based on an assessment of control risk;
- examining on a test basis, evidence supporting the amounts and disclosures in the data and records reviewed;
- assessing the accounting principles used and significant estimates made by the contractor; and,
- evaluating the overall data and records presentation.

To satisfy your specific request, we limited our audit to the accounting records pertaining to Contract No. N00612-91-D-8001. We evaluated employee time sheets, time input adjustment (TIA) sheets, and ODC vouchers for the following:

1. The switching of labor between contract delivery orders via TIA's.
2. Timeliness of the adjusting entries made via TIA's.
3. Contract funding versus costs incurred to date at the time of the labor adjustment (TIA).
4. Consistent allocation to delivery orders of individual employee travel vouchers and their labor incurred for the same date.

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Audit Report No. 6331-96H48600001

We believe that our audit provides a reasonable basis for our opinion.

BAH's accounting, billing, and time recording systems are considered adequate for the accumulation, reporting and billing of costs on government contracts, as described in the Contractor's Organization and Systems section of this report (page 3). As a result, we assess the control risk as low. Our audit provides a reasonable basis for our opinion.

RESULTS OF AUDIT

AUDITOR'S OPINION:

In our opinion, the \$46,155.23 (which does not include allocable indirect expenses) of transactions listed in Exhibit A (attached to this report), are consistent with accounting irregularities, and are not similar in nature to routine adjusting entries. The transactions listed have one or more of the following basic characteristics:

1. The changing of labor costs (via TIA) from one delivery order to another delivery order or contract.
2. The TIA occurred during a period where the original delivery order was overrun, according to BAH's Project Cost Reports.
3. The TIA usually originated after a reasonable period of time had expired from the date on which the labor was incurred.
4. In some instances, the change in the allocation of labor costs was not supported by the employee's travel voucher for the same period.

Our results of audit were sent in advance, to [REDACTED] NCIS, Special Agent, via letter on 14 March 1996.

Since there are significant issues raised by our audit conclusions, we recommend that you consult with a DCAA representative regarding any questions you may have. Assistance may be requested through [REDACTED] Supervisory Auditor, at [REDACTED] or FAX (703) 902-3013, or [REDACTED]

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CONTRACTOR'S ORGANIZATION AND SYSTEMS

I. CONTRACTOR'S ORGANIZATION

Booz-Allen & Hamilton, Inc. (BAH) is an international management and technology consulting firm committed to helping senior management solve complex problems. BAH is a private corporation founded in 1914, and is wholly owned by its 194 officers. BAH has its corporate headquarters in McLean, Virginia. BAH currently has two business units, Worldwide Commercial Business and Worldwide Technical Business (WTB), formerly the Technology Center. WTB has approximately 3,800 active employees. This audit concerns only the WTB business unit.

The WTB provides technology, engineering, and management services, including mission and strategy development, systems engineering, and program design and development. These services are provided to clients in the defense, communications, environmental, energy, and management sciences businesses.

The total WTB sales for the fiscal years ending 31 March 1993, 1994 and 1995 are shown as follows:

	Actual 1993 <u>(\$000)</u>	Actual 1994 <u>(\$000)</u>	Actual 1995 <u>(\$000)</u>
Annual Sales	\$ 363,394	\$ 414,183	\$ 467,379
<u>Annual Costs By Contract Type</u>			
Government - CPFF	\$ 244,661	\$ 278,471	\$ 289,094
Government - T&M	36,447	53,454	75,140
Government - FFP	24,219	25,281	36,360
Commercial	43,782	41,504	54,729
Total	\$ 349,109	\$ 398,710	\$ 455,323
Gov't Participation	87%	90%	88%

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II. CONTRACTOR'S COST ACCOUNTING SYSTEM

- a. The contractor's accounting system has been determined to be adequate to accumulate costs on government cost-type contracts. In January 1994, BAH implemented a new Job Cost Accounting and Management Information System (JAMIS). Our assessment of the accounting control risk is low as of 14 August 1995. No significant deficiencies exist.
- b. The cognizant ACO determined that the contractor's estimating system was adequate on 7 May 1993. The Internal Control Audit (ICAP) assessment for the estimating system is adequate based on our Audit Report No. 6331-95H24010001, dated 7 February 1996. BAH is awaiting the ACO's determination of adequacy.
- c. The cognizant ACO determined that the BAH CAS Disclosure Statement, dated 1 April 1995, was current, accurate and complete on 16 June 1995.
- d. The contractor has an approved purchasing system as determined by the ACO on 3 January 1995.
- e. The contractor does not have any open CAS noncompliances.

The contractor maintains a job order cost accounting system which provides for the accumulation of costs by separate elements for each contract, job, or task order. The contractor proposes four indirect cost pools for each cost center: Fringe Benefits, Overhead, Material Handling, and General and Administrative (G&A).

The major elements of each pools are:

Fringe Benefits -	Health and Life Insurance, Social Security and Other Payroll Related Taxes, Pension Cost and Vacation, Holiday and Other Leave Expenses.
Overhead -	Indirect Labor and Fringe Applied, Occupancy, Bonuses, Employee Welfare, Management Center Allocation and Other Administrative-type Expenses
Material Handling -	Indirect Labor and Fringe Applied, Occupancy, Employee Welfare, and other Administrative-type

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Audit Report No. 6331-96H48600001

General and Administrative
(G&A) -

Expenses.

Bid and Proposal (B&P), and Independent Research and Development (IR&D) Labor Expenses, Corporate Residual Allocation, Idle Capacity, System Resource Center Expenses, and other Financial and Management-type Expenses.

The allocation bases for the pools are:

Fringe Benefits -

Labor Dollars

Overhead -

Direct Labor Dollars, Bid and Proposal (B&P) and Independent Research and Development (IR&D) Labor Dollars, Capitalized Project Labor Dollars and Fringe Applied.

Material Handling -

Systems Engineering & Integration (SE&I) hardware and software, other equipment and related software purchases for the government/client, Subcontracts, Subsidiary Subcontracts, Intercompany Transfers and Independent Consultants.

General and Administrative
(G&A) -

Value-Added Base which is defined as Total Cost Input less the Material Handling base and the G&A pool.

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Audit Report No. 6331-96H48600001

DCAA PERSONNEL

Primary contact regarding this audit:

(b)(6), (b)(7)(C)

Telephone No.

(b)(6), (b)(7)(C)

Other individuals having involvement with the audit and having access to proprietary or source selection information regarding this audit report:

(b)(6), (b)(7)(C)

Class of persons having access to this report:

Office Administrative Personnel

DCAA Office FAX No.

(703) 902-3013

RELEVANT DATES

NCIS request for audit support, dated 12 April 1995.

DCAA Letter of Engagement, dated 21 April 1995.

AUDIT REPORT AUTHORIZATION BY:

(b)(6), (b)(7)(C)

DCAA Rosslyn Branch Office

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AUDIT REPORT DISTRIBUTION AND RESTRICTIONS

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Defense Procurement Fraud Unit
Bond Bldg., Room 3100A
P.O. Box 28188 Central Station
Washington, D.C. 20038

Defense Contract Audit Agency
Mid-Atlantic Region
ATTN: RSI-6
One Independence Mall, Suite 1000
615 Chestnut Street
Philadelphia, PA 19106

RESTRICTIONS

1. BAH information contained in this audit report may be proprietary. It is not practical to identify during the conduct of the audit those elements of the data which are proprietary (too few audit reports are requested by parties outside the contracting activity to warrant the additional effort). Proprietary determinations should be made in the event of an external request for access. The restrictions of 18 U.S.C. 1905 should be considered before this information is released to the public.
2. Under the provisions of Title 32, Code of Federal Regulations, Part 290.26(b)(2), any Freedom of Information Act requests for audit reports received by DCAA will be referred to the cognizant contracting agency for determination as to releasability and a direct response to the requester.
3. The Defense Contract Audit Agency has no objection to release of this report, at the discretion of the contracting agency, to authorized representatives of BAH.
4. The information contained in this audit report should not be used for purposes other than

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Pages 52 through 58 redacted for the following reasons:

Pages (52) - (58): Write to Booz, Allen & Hamilton, 8283 Greensboro Drive
McLean, Virginia 22102

CS0498L

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

06MAR96

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC/ (b)(6), (b)(7)(C) SPECIAL AGENT

Case Summary

1. Investisatation is pending completion of audit of contract N00612-91-D-8001 by the Defense Contract Audit Agency, Rosslyn Branch office, McLean, VA.

ACTION/LEAD

1.DIST...Status Report.

DISTRIBUTION

NCISHQ: 0023

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(b)(6), (b)(7)(C)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

19DEC95

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC (b)(6), (b)(7)(C) SPECIAL AGENT

Case Summary

1. Contact with (b)(6), (b)(7)(C) of the DCAA
Rosslyn Branch on 04Dec95 indicated their audit of contract
N000612-91-D-8001 is ongoing. (b)(6), (b)(7)(C) advised the
audit would be complete by Jan/Feb 96.

2. On 06Dec95, (b)(6), (b)(7)(C) Contracting Officer and (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) OGC, NISE EAST were apprised of the status of DCAA's
audit. Investigation is pending completion of DCAA's audit.

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

29AUG95

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
 BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/05CS/CHARLESTON, SC (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) NCISFO CHARLESTON ROI/25MAY95

CASE SUMMARY

1. ON 29JUN95, A MEETING WITH COMMAND REPRESENTATIVES WAS HELD TO DISCUSS THE IRREGULARITIES ASSOCIATED WITH CONTRACT N00612-91-D-8001 AS UNCOVERED DURING THIS INVESTIGATION. RESULTS OF THE MEETING ARE DOCUMENTED IN EXHIBIT (1).

2. ON 05JUL95, (b)(7)(D) WAS CONTACTED AND PROVIDED INFORMATION REGARDING SUBCONTRACTORS AND MARKETING HOURS AS THEY PERTAIN TO CONTRACT N00612-91-D-8001. EXHIBIT (2) IS THE RESULTS OF CONTACT WITH (b)(7)(D)

3. ON 03AUG95, AFTER CONSULTATION BETWEEN ATTORNEYS OF C/BOOZ-ALLEN & HAMILTON, NISE EAST COUNSEL AND THE U. S. ATTORNEY'S OFFICE, THE FOLLOWING EMPLOYEES WERE INTERVIEWED REGARDING THEIR EMPLOYMENT WITH C/BOOZ-ALLEN & HAMILTON: (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

RESULTS OF INTERVIEWS ARE EXHIBITS (3) THROUGH (17).
 INVESTIGATION IS PENDING AUDIT BY DCAA.

EXHIBITS

- (1) IA: MEETING WITH COMMAND/29 JUN95...(COPY ALL)
- (2) IA: CONTACT WITH (b)(7)(D) 05JUL95...(COPY ALL)
- (3) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)
- (4) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)
- (5) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)
- (6) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)
- (7) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)
- (8) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)
- (9) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)
- (10) IA: INTERVIEW OF (b)(6), (b)(7)(C) 03AUG95...(COPY ALL)
- (11) IA: INTERVIEW OF (b)(6), (b)(7)(C) /03AUG95...(COPY ALL)
- (12) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)
- (13) IA: INTERVIEW OF (b)(6), (b)(7)(C) /03AUG95...(COPY ALL)
- (14) IA: INTERVIEW OF (b)(6), (b)(7)(C) AUG95...(COPY ALL)
- (15) IA: INTERVIEW OF (b)(6), (b)(7)(C) 3AUG95...(COPY ALL)

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29AUG95

C/BOOZ, ALLEN & HAMILTON INC

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

(16) IA: INTERVIEW OF [REDACTED] 03AUG95...(COPY ALL)
(17) IA: INTERVIEW OF [REDACTED] AUG95...(COPY ALL)

PARTICIPATING AGENTS

(b)(6), (b)(7)(C)

NCISFO CHARLESTON
SA, NCISFO CHARLESTON
SA, NCISFO CHARLESTON

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INFO: COMMAND (M)/DCAA MID-ATLANTIC REGION (M)/DCAA ROSSLYN
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(b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ, ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: MEETING WITH COMMAND

ON 29JUN95, REPORTING AGENT ATTENDED A MEETING AT THE FLEET INDUSTRIAL & SUPPLY CENTER (FISC) CHARLESTON REGARDING BOOZ, ALLEN & HAMILTON INC CONTRACT N00612-91-D-8001. THE ATTENDEES WERE:

(b)(6), (b)(7)(C)

ISC CHARLESTON, OCG
SE EAST CHARLESTON, OCG
NISE EAST CHARLESTON, OCG
FISC CHARLESTON, CONTRACT ADMINISTRATION
SC CHARLESTON, CONTRACT ADMINISTRATION

THE FOLLOWING POINTS WERE DISCUSSED:

1) **THE ALLEGED MISCHARGING OF COSTS FROM ONE DELIVERY ORDER TO ANOTHER.** (b)(6), (b)(7)(C) STATED THAT MODIFICATION P0007, DATED 19JUN92, ADDED THE LIMITATION OF COST CLAUSE TO THE CONTRACT WHICH REQUIRED THE CONTRACTOR TO NOTIFY THE GOVERNMENT WHEN A DELIVERY ORDER REACHED 75% OF ITS ESTIMATED COST. THERE WOULD SEEM TO BE INTENTIONAL MISCHARGING IF COST WERE SHIFTED AS DELIVERY ORDERS APPROACHED FULL FUNDING.

2) **USE OF PERSONNEL WHO DID NOT MEET THE KEY PERSONNEL QUALIFICATION REQUIREMENTS OF THE CONTRACT.** (b)(6), (b)(7)(C) STATED FISC CHARLESTON CONTRACT ADMINISTRATION SHOULD REQUEST THE CONTRACT PROVIDE RESUMES FOR ALL PERSONNEL WHO HAVE WORKED ON THIS CONTRACT, AND INCLUDE THE DATES THEY WORKED AND THE POSITIONS THEY HELD.

3) **USE OF SUBCONTRACTORS.** (b)(6), (b)(7)(C) WERE SUPPOSEDLY HIRED AS SUBCONTRACTED PERSONNEL. IF SUBCONTRACTORS WERE USED, THE CONTRACTOR FAILED TO COMPLY WITH CONTRACT REQUIREMENTS REGARDING THE USE OF SUBCONTRACTORS.

4) **NON-COMPENSATED OVERTIME.** DID THE CONTRACTOR ADJUST THE HOURLY RATE TO REFLECT THEIR 44 HOUR WORK WEEK. WAS THERE ACCOUNTING SYSTEM APPROVED?

5) **DCAA AUDIT.** NISE EAST ORDERING OFFICER WILL WORK WITH DCAA AUDITOR AND PROVIDE ANY MATERIAL NEED FROM DELIVERY ORDER FILES.

6) **MISCELLANEOUS.** DOES THE CONTRACTOR'S PROGRAM MANAGER RECEIVE A BONUS? HOW IS BONUS PAID?

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON
DATE TYPED: 30JUN95

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ, ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: CONTACT WITH (b)(7)(D)

ON 05JUL95, (b)(7)(D) WAS TELEPHONICALLY CONTACTED. (b)(7)(D)

(b)(7)(D)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE TYPED: 05JUL95

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW WITH (b)(6), (b)(7)(C)

ON 03AUG95, AN INTERVIEW WAS CONDUCTED WITH (b)(6), (b)(7)(C)
AT THE SUMMIT PLACE OFFICE OF NISE-EAST, NORTH CHARLESTON, SC. THE
INTERVIEW WAS CONDUCTED IN A QUESTION/ANSWER FORMAT AND RESULTED AS
FOLLOWS:

Q: IS THIS A COPY OF YOUR RESUME (UTILIZING ENCLOSURE (1))?

A: YES, OLDER COPY, IT HAS BEEN UPDATED SINCE.

Q: DID YOU PREPARE IT?

A: YES

Q: WHEN WAS IT PREPARED?

A: NOT REALLY SURE. I KNOW I'VE DONE ONE SINCE THIS ONE.

Q: AT THE TIME IT WAS PREPARED, DID IT CORRECTLY REFLECT YOUR
EXPERIENCE AND EDUCATION?

A: YEAH.

Q: WERE YOU TOLD WHAT TO PUT IN YOUR RESUME?

A: NO.

Q: DO YOU KNOW WHAT THE REQUIREMENTS FOR YOUR POSITION ARE?

A: NO.

Q: WHO HIRED YOU?

A: (b)(6), (b)(7)(C)

Q: HOW MUCH ARE YOU PAID?

A: \$25,800.00 ANNUALLY.

Q: BASED ON THE QUALIFICATIONS SET FORTH IN THE CONTRACT (ENCLOSURE
(2)), ARE YOU AWARE OF ANYONE WHO DOES NOT MEET THE
QUALIFICATIONS FOR THEIR POSITION?

A: NOT AWARE OF ANYONE.

AGENT'S NOTE: ENCLOSURE IS A COPY OF THE ENCLOSURE CONTAINED IN
THE INTERVIEW OF (b)(6), (b)(7)(C)

Q: WHAT TASK ORDERS (DELIVERY ORDERS, PROJECTS) DO YOU WORK ON?

A: CDM, MIUWU, CBT, AND DEEP FREEZE.

Q: HOW DO YOU CHARGE YOUR TIME?

A: ON TIME SHEET. KEEP TRACK OF TASK ORDER TO ENSURE CHARGING TO
CORRECT ONE.

Q: HAVE YOU EVER WORKED ON ONE PROJECT BUT CHARGED YOUR TIME TO
ANOTHER?

A: NO.

Q: WHAT IS YOUR UNDERSTANDING OF THE PURPOSE OF THE "PLANNED TIME"
SHEET?

A: USED AS A GUIDE. DO NOT HAVE TO ADHERE STRICTLY TO IT.

Q: DO YOU HAVE ANY MONTHLY PLANNED TIME SHEETS AT YOUR DESK NOW?

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U.S. NAVAL INVESTIGATIVE SERVICE

A: YES.

Q: WHO GAVE THEM TO YOU?

A: THEY WERE IN MY BOX.

Q: WHAT HAPPENS IF YOU DO NOT WORK IN ACCORDANCE WITH PLANNED TIME?
A: LET THE SUPERVISOR KNOW IF IT IS GOING TO BE WAY OFF.

Q: HAVE YOU EVER SEEN OR INITIALLED A CHANGE ON YOUR TIME CARD?
A: YES, MISTAKES I HAVE CROSSED THROUGH AND MADE CORRECTIONS.

Q: WHAT ARE TIME INPUT SHEETS?
A: TIA'S ARE FOR IF INCORRECT CHARGES ARE USED WHEN TIME SHEETS ARE GONE.

Q: WHAT DO YOU CHARGE YOUR MARKETING HOURS TO?
A: NEVER HAD THAT SITUATION.

Q: DO YOU KNOW ANYONE WHO WORKS HERE AS A CONSULTANT, SUBCONTRACT OR INDEPENDENT CONTRACTOR OR WHO IS OTHERWISE NOT ON SALARY?
A: YES.

Q: WHO?

A: (b)(6), (b)(7)(C)

Q: HAVE YOU ATTENDED ETHICS TRAINING PROVIDED BY YOUR COMPANY?
A: YES.

Q: WHO IS THE PROGRAM MANAGER OF THIS CONTRACT?
A: AS OF RIGHT NOW, NOT SURE. (b)(6), (b)(7)(C)

Q: WHO IS (b)(6), (b)(7)(C)

A: VICE-PRESIDENT.

AT THE CONCLUSION OF THE INTERVIEW, REPORTING AGENT ASKED (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) WHO HE WAS REPRESENTING IN THE INTERVIEW. (b)(6), (b)(7)(C)
STATED HE WAS REPRESENTING (b)(6), (b)(7)(C) THIS CONCLUDED THE INTERVIEW.

ENCLOSURES

- (1) COPY OF RESUME OF (b)(6), (b)(7)(C) UNDATED
- (2) COPY OF REQUIREMENT DOCUMENTS/UNDATED

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)

OFFICE: NCIS FIELD OFFICE CHARLESTON, SC
DATE PREPARE: 09AUG95

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW WITH (b)(6), (b)(7)(C)

ON 03AUG95, AN INTERVIEW WAS CONDUCTED WITH (b)(6), (b)(7)(C) AT THE SUMMIT PLACE OFFICE OF NISE-EAST, NORTH CHARLESTON, SC. THE INTERVIEW WAS CONDUCTED IN A QUESTION/ANSWER FORMAT AND RESULTED AS FOLLOWS:

Q: IS THIS A COPY OF YOUR RESUME (UTILIZING ENCLOSURE (1))?
A: I BELIEVE SO. TYPICALLY, THE RESUME PROVIDED BY THE GOVERNMENT HAS A SIGNATURE LINE. THIS APPEARS TO BE AN INTERNAL BOOZ-ALLEN RATHER A GOVERNMENT RESUME.

Q: DID YOU PREPARE IT?
A: DO NOT PREPARE IT ALL THE TIME. DOES LOOK TO BE A YEAR OLD. I HAVE A TOTAL OF NINE TO TEN YEARS EXPERIENCE.

Q: AT THE TIME IT WAS PREPARED, DID IT CORRECTLY REFLECT YOUR EXPERIENCE AND EDUCATION?
A: YEAH.

Q: WERE YOU TOLD WHAT TO PUT IN YOUR RESUME?
A: UH, NO, I DON'T THINK SO. AT BOOZ-ALLEN, WE WOULD PROVIDE SUMMARIES OF TASK WE WORKED ON. YOU TAILOR YOUR RESUME TO MEET CERTAIN NEEDS. YOU WANT THE RESUME PREPARED TO WHAT IS APPLICABLE, TAILORED TO THE PARTICULAR JOB. RESUME DOES NOT INCLUDE EVERYTHING I'VE DONE IN MY PROFESSIONAL CAREER.

Q: DO YOU KNOW WHAT THE REQUIREMENTS FOR YOUR POSITION ARE?
A: TWO YEARS ATC EXPERIENCE AND A BS DEGREE, I BELIEVE.

Q: WHO HIRED YOU?
A: (b)(6), (b)(7)(C) OFFICER THAT HIRED ME.

Q: HOW MUCH ARE YOU PAID?
A: FIFTY-THREE TO FIFTY-FIVE K ANNUALLY.

Q: BASED ON THE QUALIFICATIONS SET FORTH IN THE CONTRACT (ENCLOSURE (2)), ARE YOU AWARE OF ANYONE WHO DOES NOT MEET THE QUALIFICATIONS FOR THEIR POSITION?
A: NO.

Q: WHAT TASK ORDERS (DELIVERY ORDERS, PROJECTS) DO YOU WORK ON?
A: CAMP PENDLETON TASK UNDERWAY I WORK ON. IWAKUNI TASK, BASE CLOSURE TASK.

Q: HOW DO YOU CHARGE YOUR TIME?
A: BY HOURS WORKED ON EACH TASK.

Q: HAVE YOU EVER WORKED ON ONE PROJECT BUT CHARGED YOUR TIME TO ANOTHER?
A: YES.

Q: WHAT PERCENTAGE OF YOUR TIME WAS SPENT ON ONE PROJECT ORDER BUT CHARGED TO ANOTHER?
A: MINIMAL, NOT TO ANY SIGNIFICANT DEGREE.

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Q: DID YOU EVER WORK ON A PROJECT, CHARGED TIME TO IT AND SUBSEQUENTLY FOUND OUT OR BEEN TOLD THERE WAS NO FUNDING LEFT ON THAT PROJECT?

A: UM, YEAH, I THINK SO.

Q: WHEN?

AT THIS TIME, (b)(6), (b)(7)(C) LOOKED TO (b)(6), (b)(7)(C) FOR ADVISE AS TO WHETHER OR NOT HE SHOULD ANSWER ANY FURTHER QUESTIONS. (b)(6), (b)(7)(C) WAS CONCERNED THAT THE ANSWERS GIVEN COULD JEOPARDIZE HIS JOB WITH BOOZ-ALLEN. UNDER ADVISEMENT OF (b)(6), (b)(7)(C) STATED HE WOULD CONTINUE WITH THE INTERVIEW, BUT WOULD PASS ON QUESTIONS THAT COULD IMPLICATE HIM IN ANY MANNER. (b)(6), (b)(7)(C) STATED THAT AFTER CONSULTING WITH BOOZ-ALLEN, HE WOULD CONSIDER MEETING WITH AN AGENT FROM NCIS TO ANSWER THE QUESTIONS HE PASSES ON.

Q: WHEN?

A: PASS.

Q: WHAT PROJECTS WERE INVOLVED?

A: PASS.

Q: WHO TOLD YOU TO DO THIS?

A: PASS.

Q: WHAT IS YOUR UNDERSTANDING OF THE PURPOSE OF THE "PLANNED TIME" SHEET?

A: A PROJECTION OF WHAT PROJECT YOU WILL WORK ON IN COMING MONTH.

Q: DO YOU HAVE ANY MONTHLY PLANNED TIME SHEETS AT YOUR DESK NOW?

A: YES.

Q: WHO GAVE THEM TO YOU?

A: IN MY "IN" BOX, DISSEMINATED BY (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) APPROVES THEM.

Q: WHAT HAPPENS IF YOU DO NOT WORK IN ACCORDANCE WITH PLANNED TIME?

A: NOTIFY THE SUPERVISOR AND LET HIM KNOW PROJECTION MAY NOT BE ACCURATE. CHANGE MORE OR LESS TO A TASK.

Q: HAVE YOU EVER SEEN OR INITIALLED A CHANGE ON YOUR TIME CARD?

A: YES. NO, NOT AFTER I SIGNED IT.

Q: WAS THE CHANGE CORRECT?

A: YES.

Q: WHO TOLD YOU TO CHANGE THE TIME?

A: SOMETIMES I CHANGE THEM.

Q: WHAT ARE TIME INPUT SHEETS?

A: MECHANISM TO CHANGE TIME SHEET AFTER YOU SUBMIT AND SIGN IT.

Q: WHAT DO YOU CHARGE YOUR MARKETING HOURS TO?

A: MARKETING NUMBER.

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U.S. NAVAL INVESTIGATIVE SERVICE

Q: DO YOU KNOW ANYONE WHO WORKS HERE AS A CONSULTANT, SUBCONTRACT OR
INDEPENDENT CONTRACTOR OR WHO IS OTHERWISE NOT ON SALARY?

A: YES.

Q: WHO?

A: (b)(6), (b)(7)(C) A SUBCONTRACTOR/CONSULTANT ALSO (b)(6), (b)(7)(C) WHO WE
AFTER USED IN YEAR. AND (b)(6), (b)(7)(C)

Q: HAVE YOU ATTENDED ETHICS TRAINING PROVIDED BY YOUR COMPANY?

A: YES.

Q: WHO IS THE PROGRAM MANAGER OF THIS CONTRACT?

A: (b)(6), (b)(7)(C) THAT IS MY UNDERSTANDING.

Q: WHO IS (b)(6), (b)(7)(C)

A: VICE-PRESIDENT.

AT THE CONCLUSION OF THE INTERVIEW, REPORTING AGENT ASKED (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) WHO HE WAS REPRESENTING IN THE INTERVIEW. (b)(6), (b)(7)(C)
STATED HE WAS REPRESENTING (b)(6), (b)(7)(C) THIS CONCLUDED THE INTERVIEW.

ENCLOSURES

(1) COPY OF RESUME OF (b)(6), (b)(7)(C) UNDATED

(2) COPY OF REQUIREMENT DOCUMENTS/UNDATED

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)

OFFICE: NCIS FIELD OFFICE CHARLESTON, SC

DATE PREPARE: 09AUG95

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW WITH (b)(6), (b)(7)(D)

ON 03AUG95, AN INTERVIEW WAS CONDUCTED WITH (b)(6), (b)(7)(C) AT THE SUMMIT PLACE OFFICE OF NISE-EAST, NORTH CHARLESTON, SC. THE INTERVIEW WAS CONDUCTED IN A QUESTION/ANSWER FORMAT AND RESULTED AS FOLLOWS:

Q: IS THIS A COPY OF YOUR RESUME (UTILIZING ENCLOSURE (1))?

A: YES

Q: DID YOU PREPARE IT?

A: YEAH, I WROTE...FORMATTING WAS FIXED TO FIT STYLE. I WROTE ALL THE WORDS.

Q: WHEN WAS IT PREPARED?

A: ORIGINALLY? WHEN I CAME ON BOARD, AUG93. IT'S REQUIRED AT TYSON CORNER. UPDATED SEVERAL TIMES LAST TWO YEARS.

Q: AT THE TIME IT WAS PREPARED, DID IT CORRECTLY REFLECT YOUR EXPERIENCE AND EDUCATION?

A: YES

Q: WERE YOU TOLD WHAT TO PUT IN YOUR RESUME?

A: NO

Q: DO YOU KNOW WHAT THE REQUIREMENTS FOR YOUR POSITION ARE?

A: YEAH, IN GENERAL TERMS.

Q: WHO HIRED YOU?

A: (b)(6), (b)(7)(C)

Q: HOW MUCH ARE YOU PAID?

A: \$4,044.58 PER MONTH, GROSS.

Q: BASED ON THE QUALIFICATIONS SET FORTH IN THE CONTRACT (ENCLOSURE (2)), ARE YOU AWARE OF ANYONE WHO DOES NOT MEET THE QUALIFICATIONS FOR THEIR POSITION?

A: NOT AWARE OF ANYONE NOT QUALIFIED FOR WHAT THEY DO.

Q: WHAT TASK ORDERS (DELIVERY ORDERS, PROJECTS) DO YOU WORK ON?

A: 0029 (VIDS), 0030 (NAS), 0033 (NATCIP), 0034 (CNO), 0035 (DAD), 7104, AND 7115 (ATAA).

Q: HOW DO YOU CHARGE YOUR TIME?

A: IN QUARTER HOUR INCREMENTS.

Q: HAVE YOU EVER WORKED ON ONE PROJECT BUT CHARGED YOUR TIME TO ANOTHER?

A: NO.

Q: WHAT PERCENTAGE OF YOUR TIME WAS SPENT ON ONE PROJECT ORDER BUT CHARGED TO ANOTHER?

A: ZERO.

Q: DID YOU EVER WORK ON A PROJECT, CHARGED TIME TO IT AND SUBSEQUENTLY FOUND OUT OR BEEN TOLD THERE WAS NO FUNDING LEFT ON THAT PROJECT?

A: NO.

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Q: WHAT IS YOUR UNDERSTANDING OF THE PURPOSE OF THE "PLANNED TIME" SHEET?

A: TO GIVE EMPLOYEE A BASIS FOR WHAT HE IS TO WORK ON FOR COMING MONTH. ROUGH ESTIMATE, NOT HARD CORE. IF THE PROJECT MANAGER SEES A NEED FOR CHANGE, AN AMENDMENT IS PUT OUT.

Q: DO YOU HAVE ANY MONTHLY PLANNED TIME SHEETS AT YOUR DESK NOW?

A: YES.

Q: WHAT HAPPENS IF YOU DO NOT WORK IN ACCORDANCE WITH PLANNED TIME?

A: AGAIN, THEY ARE ROUGH ESTIMATES TO PLAN TIME. IF I WAS TO WORK MAJOR HOURS ON A TASK NOT THERE, I WOULD GO TO (b)(6), (b)(7)(C) TO HAVE IT ANNOTATED AND APPROVAL TO DO SO.

Q: HAVE YOU EVER SEEN OR INITIALLED A CHANGE ON YOUR TIME CARD?

A: I HAVE INITIALLED CHANGES I MADE ON MY TIME SHEET.

Q: WAS THE CHANGE CORRECT?

A: YES.

Q: WHO TOLD YOU TO CHANGE THE TIME?

A: UMM, I DIDN'T SAY I CHANGED THE TIME. I SAID I INITIALLED CHANGES ON MY TIME SHEET. SOMETIMES THERE ARE NEW CHARGE NUMBERS TO SPECIFIC EVENTS, I.E. TALK WITH LAWYERS ABOUT THIS IS CHARGED TO ADMIN TIME.

Q: WHAT ARE TIME INPUT SHEETS?

A: TIA'S ARE FOR CORRECTING ERRORS IN TIME SHEETS ALREADY SUBMITTED AND ENTERED INTO THE SYSTEM.

Q: WHAT DO YOU CHARGE YOUR MARKETING HOURS TO?

A: MARKETING CHARGE NUMBER.

Q: DO YOU KNOW ANYONE WHO WORKS HERE AS A CONSULTANT, SUBCONTRACT OR INDEPENDENT CONTRACTOR OR WHO IS OTHERWISE NOT ON SALARY?

A: NON-EXEMPT PEOPLE (HOURLY WAGES). AND ONE CONSULTANT.

Q: WHO?

A: (b)(6), (b)(7)(C) AN INDEPENDENT CONSULTANT IN WASHINGTON, D.C.

Q: HAVE YOU ATTENDED ETHICS TRAINING PROVIDED BY YOUR COMPANY?

A: YES.

Q: WHO IS THE PROGRAM MANAGER OF THIS CONTRACT?

A: (b)(6), (b)(7)(C)

Q: WHO IS (b)(6), (b)(7)(C)

A: OFFICER IN CHARGE, THE OFFICER OF THIS CONTRACT.. (b)(6), (b)(7)(C) BOSS.

AT THE CONCLUSION OF THE INTERVIEW, REPORTING AGENT ASKED (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) WHO HE WAS REPRESENTING IN THE INTERVIEW.

STATED HE WAS REPRESENTING (b)(6), (b)(7)(C) THIS CONCLUDED THE INTERVIEW.

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TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153 GNA

U.S. NAVAL INVESTIGATIVE SERVICE

ENCLOSURES

- (1) COPY OF RESUME OF [REDACTED] /UNDATED
(2) COPY OF REQUIREMENT DOCUMENTS/UNDATED

BIOGRAPHICAL DATA

[REDACTED]
(b)(6), (b)(7)(C)

REPORTING AGENT: [REDACTED]
OFFICE: NCIS FIELD OFFICE CHARLESTON, SC
DATE PREPARE: 09AUG95

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW WITH (b)(6), (b)(7)(C)

ON 03AUG95, AN INTERVIEW WAS CONDUCTED WITH (b)(6), (b)(7)(C) AT THE SUMMIT PLACE OFFICE OF NISE-EAST, NORTH CHARLESTON, SC. THE INTERVIEW WAS CONDUCTED IN A QUESTION/ANSWER FORMAT AND RESULTED AS FOLLOWS:

Q: DO YOU KNOW WHAT THE REQUIREMENTS FOR YOUR POSITION ARE?
A: DON'T KNOW.

Q: WHO HIRED YOU?

A: (b)(6), (b)(7)(C)

Q: HOW MUCH ARE YOU PAID?

A: \$14,850.00 PER YEAR.

Q: BASED ON THE QUALIFICATIONS SET FORTH IN THE CONTRACT (ENCLOSURE (2)), ARE YOU AWARE OF ANYONE WHO DOES NOT MEET THE QUALIFICATIONS FOR THEIR POSITION?

A: NO NOT THAT I WOULD KNOW.

Q: WHAT TASK ORDERS (DELIVERY ORDERS, PROJECTS) DO YOU WORK ON?

A: SEVERAL, WHEN I DO PAPERWORK, MAKE COPIES, I HAVE TO USE THE TASK NUMBER.

AT THIS TIME, (b)(6), (b)(7)(C) ASKED (b)(6), (b)(7)(C) IF SHE IS A FLOATING EMPLOYEE, IN WHICH SHE REPLIED SHE WAS.

Q: HOW DO YOU CHARGE YOUR TIME?

A: WHATEVER IS WORKED.

Q: HAVE YOU EVER WORKED ON ONE PROJECT BUT CHARGED YOUR TIME TO ANOTHER?

A: NO.

Q: DID YOU EVER WORK ON A PROJECT, CHARGED TIME TO IT AND SUBSEQUENTLY FOUND OUT OR BEEN TOLD THERE WAS NO FUNDING LEFT ON THAT PROJECT?

A: NO.

Q: WHAT IS YOUR UNDERSTANDING OF THE PURPOSE OF THE "PLANNED TIME" SHEET?

A: JUST A GENERAL GUIDE FOR US TO GO BY.

Q: DO YOU HAVE ANY MONTHLY PLANNED TIME SHEETS AT YOUR DESK NOW?

A: YES.

Q: WHAT HAPPENS IF YOU DO NOT WORK IN ACCORDANCE WITH PLANNED TIME?

A: YOU JUST DON'T. IF SOMETHING ELSE COMES UP, YOU WORK IT AND CHARGE IT TO THAT WORK.

Q: HAVE YOU EVER SEEN OR INITIALLED A CHANGE ON YOUR TIME CARD?

A: YES, WHEN I WROTE THE WRONG NUMBER AND CHANGED IT, HUMAN ERROR.

Q: WAS THE CHANGE CORRECT?

A: YES.

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EXHIBIT (6)

U.S. NAVAL INVESTIGATIVE SERVICE

Q: WHAT ARE TIME INPUT SHEETS?

A: CHANGE TIME IF TIME CHARGED TO WRONG TASK, I GUESS YOU MAKE CHANGE ON THAT.

Q: WHAT DO YOU CHARGE YOUR MARKETING HOURS TO?

A: DOES NOT APPLY.

Q: DO YOU KNOW ANYONE WHO WORKS HERE AS A CONSULTANT, SUBCONTRACT OR INDEPENDENT CONTRACTOR OR WHO IS OTHERWISE NOT ON SALARY?

A: YES.

Q: WHO?

A: (b)(6), (b)(7)(C)

Q: HAVE YOU ATTENDED ETHICS TRAINING PROVIDED BY YOUR COMPANY?

A: I HAVE GONE THROUGH DOCUMENTS, IF THAT IS WHAT YOU CONSIDER TRAINING.

Q: WHO IS THE PROGRAM MANAGER OF THIS CONTRACT?

A: (b)(6), (b)(7)(C) THAT CHANGED AS OF YESTERDAY.

Q: WHO IS (b)(6), (b)(7)(C)

A: OFFICER IN CHARGE.

AT THE CONCLUSION OF THE INTERVIEW, REPORTING AGENT ASKED (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) WHO HE WAS REPRESENTING IN THE INTERVIEW.

STATED HE WAS REPRESENTING (b)(6), (b)(7)(C) THIS CONCLUDED THE INTERVIEW.

ENCLOSURES

(1) COPY OF REQUIREMENT DOCUMENTS/UNDATED

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)

OFFICE: NCIS FIELD OFFICE CHARLESTON, SC

DATE PREPARED: 09AUG95

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW- (b)(6), (b)(7)(C)

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED BY REPORTING AGENT AT THE NISE EAST SOUTH ANNEX COMPLEX, LOCATED IN THE SUMMIT BUILDING ON RIVERS AVE. IN NORTH CHARLESTON, SC. (b)(6), (b)(7)(C) WAS ADVISED THAT HE WAS NOT SUSPECTED OF ANY CRIMINAL VIOLATIONS. REPORTING AGENT DETERMINED THAT (b)(6), (b)(7)(C) WAS PARTICIPATING IN THE INTERVIEW VOLUNTARILY AND ADVISED (b)(6), (b)(7)(C) THAT HE COULD INITIATE FURTHER DISCUSSION AT A LATER TIME WITH REPORTING AGENT IF HE WISHED. (b)(6), (b)(7)(C) ADVISED THE FOLLOWING:

HE SUBMITTED A RESUME PREPARED BY HIMSELF TO BOOZ-ALLEN & HAMILTON, INC. (B/A & H) PRIOR TO BEING HIRED. UPON BEING HIRED, HE WAS ASKED TO PREPARE ANOTHER RESUME AND WAS PROVIDED GUIDANCE BY B/A & H CONCERNING WHAT TO INCLUDE IN THE RESUME, SUCH AS HIS TECHNICAL SKILLS AND QUALIFICATIONS (BOTH MAJOR AND MINOR) AND HIS CLIENT EXPERIENCE (BOTH MAJOR AND MINOR). HE DOES NOT KNOW WHAT THE SPECIFIC REQUIREMENTS ARE FOR HIS POSITION. HE WAS HIRED BY (b)(6), (b)(7)(C) HE IS PAID APPROXIMATELY \$41,000.00/YEAR IN SALARY. HE WAS NOT AWARE OF ANYONE EMPLOYED WITH B/A & H WHO DID NOT MEET THEIR QUALIFICATIONS FOR EMPLOYMENT.

(b)(6), (b)(7)(C) WORKS ON THE AFLCS (AIRFIELD LIGHT CONTROL SYSTEM) EXCLUSIVELY. HE CHARGES HIS TIME USING A TIME SHEET WHICH IS FILLED OUT DAILY. THIS TIME SHEET INDICATES HOW MUCH TIME HE SPENT ON EACH TASK. IN ABOUT JAN94, WHILE (b)(6), (b)(7)(C) WORKED ON AFLCS SITE SURVEYS, HE FOUND OUT THAT THE PROJECT "WAS IN THE HOLE".

(b)(6), (b)(7)(C) HAD ALREADY SUBMITTED A TIME SHEET INDICATING THAT HE HAD CHARGED TIME TO THAT PROJECT. THIS SITUATION WAS RESOLVED BY (b)(6), (b)(7)(C) BY GETTING A MODIFICATION FROM THE CLIENT (NISE EAST) FOR ADDITIONAL FUNDING. (b)(6), (b)(7)(C) DID NOT HAVE TO CHANGE HIS TIME SHEET.

THE PLANNED TIME SHEET IS SOMETHING USED TO GIVE THE STAFF OF B/A & H AN INDICATION OF WHAT THEY ARE SUPPOSED TO BE WORKING ON THAT MONTH. THE PLANNED TIME SHEET IS JUST A GUIDE. CHANGES CAN BE MADE KNOWN TO

(b)(6), (b)(7)(C) IF THE STAFF KNOW IN ADVANCE THEY NEED TO DO SOMETHING ELSE.

CHANGES IN (b)(6), (b)(7)(C) TIME SHEET WERE MADE BY (b)(6), (b)(7)(C) AFTER (b)(6), (b)(7)(C) WOULD TELL HIM (b)(6), (b)(7)(C) HE MADE AN ADMINISTRATIVE ERROR, SUCH AS A COLUMN DIDN'T ADD UP. THIS HAS HAPPENED LESS THAN TEN TIMES SINCE (b)(6), (b)(7)(C) HAS

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
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BEEN AT B/A & H. TIME INPUT ADJUSTMENT SHEETS ARE USED BY THE COMPANY TO CORRECT ANY ERRORS ON A TIME SHEET THAT HAS ALREADY BEEN SUBMITTED TO THE WASHINGTON, DC OFFICE.

(b)(6), (b)(7)(C) DOES NOT CHARGE ANY MARKETING HOURS. HE HAS NOT ATTENDED COMPANY SPONSORED ETHICS TRAINING. (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) IS THE PROGRAM MANAGER OF THE CONTRACT IN QUESTION. (b)(6), (b)(7)(C) IS (b)(6), (b)(7)(C) IMMEDIATE SUPERVISOR.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE PREPARED: 04AUG95

U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW- (b)(6), (b)(7)(C)

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED BY REPORTING AGENT AT THE NISE EAST SOUTH ANNEX COMPLEX, LOCATED IN THE SUMMIT BUILDING ON RIVERS AVE. IN NORTH CHARLESTON, SC. ALSO PRESENT DURING THIS INTERVIEW WAS (b)(6), (b)(7)(C) ATTORNEY, (b)(6), (b)(7)(C) WAS ADVISED THAT SHE WAS NOT SUSPECTED OF ANY CRIMINAL VIOLATIONS. REPORTING AGENT DETERMINED THAT (b)(6), (b)(7)(C) WAS PARTICIPATING IN THE INTERVIEW VOLUNTARILY AND ADVISED (b)(6), (b)(7)(C) THAT SHE COULD INITIATE FURTHER DISCUSSION AT A LATER TIME WITH REPORTING AGENT IF SHE WISHED. (b)(6), (b)(7)(C) ADVISED THE FOLLOWING:

SHE IS PRESENTLY EMPLOYED AS AN ADMINISTRATIVE ASSISTANT/PROJECT MANAGER BY BOOZ-ALLEN & HAMILTON. SHE SUBMITTED A RESUME PREPARED BY HERSELF TO BOOZ-ALLEN & HAMILTON, INC. (B/A & H) PRIOR TO BEING HIRED. UPON BEING HIRED, SHE WAS ASKED TO PREPARE ANOTHER RESUME AND WAS PROVIDED GUIDANCE BY B/A & H CONCERNING MOSTLY FORMAT REQUIREMENTS FOR COMPLETING THE RESUME. SHE IS PAID APPROXIMATELY \$25,000 PER YEAR AS HER SALARY. SHE WAS NOT AWARE OF ANYONE EMPLOYED WITH B/A & H WHO DID NOT MEET THEIR QUALIFICATIONS FOR EMPLOYMENT.

(b)(6), (b)(7)(C) WORKS ON ALL OF THE TASK ORDERS, BUT NONE OF THEM IN ANY DEPTH. HER JOB ENTAILS HELPING TO TRACK BALANCES ON DIFFERENT TASKS, PREPARING REPORTS THAT CONSOLIDATE INFORMATION AND REPORTING BACK TO THE CLIENT WHERE THE TASKS STAND AT A CERTAIN POINT IN TIME AND HOW THE COMPANY IS DOING IN TERMS OF COMPLETING THE TASKS. SHE CHARGES HER TIME BY SPREADING THE TIME OUT AS EVENLY AS POSSIBLE ACROSS ALL TASKS WORKED WHEN PREPARING SUMMARY REPORTS. WHEN DOING QUALITY ASSURANCE OR SOME OTHER SPECIFIC TASK, AS OPPOSED TO A GENERAL TASK, SHE CHARGES THAT TIME TO THAT SPECIFIC TASK NUMBER. (b)(6), (b)(7)(C) HAS NOT WORKED ON ONE PROJECT AND CHARGED HER TIME TO ANOTHER. SHE DOES NOT RECALL EVER WORKING ON A PROJECT, DOCUMENTING IT ON A TIME SHEET, AND LATER FOUND OUT THAT THE FUNDING FOR THAT PROJECT HAD RUN OUT.

THE PLANNED TIME SHEET IS A GUIDE HER MANAGER IS REQUIRED TO PREPARE. IT GIVES HER PERMISSION TO WORK AND CHARGE TIME TO THE TASKS UNDER HER NAME. IT IS ONLY A GUIDE. SHE HAS BEEN INSTRUCTED TO CHARGE TIME FOR WHAT SHE WORKS ON. SHE IS ALLOWED TO STRAY FROM THE PLANNED TIME SHEET, HOWEVER, IF SHE HAD TO STRAY SIGNIFICANTLY, SHE WOULD GO TO HER BOSS (b)(6), (b)(7)(C)

PAGE 1 OF 3

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AND GET PERMISSION TO DO THAT. SHE HAS NEVER HAD A PROBLEM WITH (b)(6), (b)(7)(C) ALLOWING HER TO DO THIS.

THERE HAVE BEEN LESS THAN FIVE TIMES THAT (b)(6), (b)(7)(C) HAS HAD TO MAKE INITIALED CHANGES IN HER TIME SHEET ONCE IT WAS SUBMITTED. THESE WERE DUE TO ADMINISTRATIVE ERROR ON (b)(6), (b)(7)(C)'S PART. SHE DOES NOT REMEMBER WHO CAUGHT THE MISTAKES, OR EVEN WHAT PROJECT, IF ANY, SHE WAS WORKING ON WHEN THESE CHANGES WERE MADE.

TIME INPUT ADJUSTMENT SHEETS ARE FORMS WHICH ALLOW SOMEONE TO MAKE A CHANGE TO THEIR TIME SHEET IF IT HAS ALREADY BEEN SUBMITTED TO CORPORATE HEADQUARTERS IN WASHINGTON, DC.

(b)(6), (b)(7)(C) DOES NOT CHARGE ANY MARKETING HOURS. SHE HAS ATTENDED COMPANY SPONSORED ETHICS TRAINING. SHE THINKS (b)(6), (b)(7)(C) IS THE PROGRAM MANAGER OF THE CONTRACT IN QUESTION. (b)(6), (b)(7)(C) IS (b)(6), (b)(7)(C) IMMEDIATE SUPERVISOR AND IS ONE OF BOOZ-ALLEN AND HAMILTON'S VICE PRESIDENTS.

(b)(6), (b)(7)(C) WORKS FOR BOOZ-ALLEN & HAMILTON AS A CONSULTANT, POSSIBLY INVOLVING RADAR SYSTEMS. HE WAS WORKING AS A CONSULTANT FOR BOOZ-ALLEN & HAMILTON WHEN (b)(6), (b)(7)(C) BEGAN HER EMPLOYMENT IN JAN94. (b)(6), (b)(7)(C) DOES NOT KNOW (b)(6), (b)(7)(C)'S EMPLOYMENT HISTORY WITH BOOZ-ALLEN PRIOR TO JAN94. ABOUT 6 MONTHS AGO, (b)(6), (b)(7)(C) WORKED 20-40 HOURS A MONTH. RECORDS ARE AVAILABLE THROUGH (b)(6), (b)(7)(C) (NFI) CONCERNING HIS HISTORY WITH THE COMPANY. (b)(6), (b)(7)(C) IS NOT WORKING MUCH AT ALL WITH THE COMPANY AT THIS TIME.

ANOTHER CONSULTANT WITH BOOZ-ALLEN & HAMILTON IS (b)(6), (b)(7)(C) WORKING WITH SOFTWARE DEVELOPMENT. HE HAS BEEN WORKING FAIRLY REGULARLY, APPROXIMATELY 2 - 3 DAYS A MONTH, FOR APPROXIMATELY THE PAST THREE MONTHS. (b)(6), (b)(7)(C) THINKS (b)(6), (b)(7)(C) WAS A BOOZ-ALLEN & HAMILTON EMPLOYEE A FEW YEARS AGO AND LEFT TO START HIS OWN BUSINESS RECENTLY. TO (b)(6), (b)(7)(C)'S KNOWLEDGE, (b)(6), (b)(7)(C) DIDN'T DO ANY CONSULTANT WORK WITH BOOZ-ALLEN PRIOR TO ABOUT FOUR MONTHS AGO. (b)(6), (b)(7)(C) (NFI) PROCESSES THE INVOICES PERTAINING TO THE CONSULTANTS AND WOULD HAVE A MORE ACCURATE IDEA CONCERNING THE DETAILS.

(b)(6), (b)(7)(C) IS ANOTHER INDEPENDENT CONSULTANT WORKING FOR BOOZ-ALLEN & HAMILTON. HE POSSIBLY HELPED WITH A PROJECT CALLED "BLUE AIR". HE IS A FORMER AIR TRAFFICK

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

CONTROLLER. AS FAR AS (b)(6), (b)(7)(C) KNOWS, (b)(6), (b)(7)(C) WORK IS COMPLETED FOR BOOZ-ALLEN & HAMILTON. HE WAS WORKING FOR BOOZ-ALLEN & HAMILTON WHEN (b)(6), (b)(7)(C) BEGAN HER EMPLOYMENT IN JAN94 AND FINISHED SOMETIME IN THE SPRING OF 1994.

CONCERNING SUB-CONTRACTORS, (b)(6), (b)(7)(C) WITH ARCON, HELPS BOOZ-ALLEN & HAMILTON WITH MOVING TARGET DETECTOR TASKS. HE IS BASED OUT OF BOSTON, MA. HE HAS BEEN WORKING FOR BOOZ-ALLEN & HAMILTON FOR THE LAST 4 - 5 MONTHS. APPROXIMATELY \$60,000 IS OBLIGATED TO THIS CONTRACTOR. IN OTHER WORDS, (b)(6), (b)(7)(C) THINKS HE HAS WORKED THE NUMBER OF HOURS TO EARN THIS MUCH MONEY AND THAT MONEY HAS BEEN SET ASIDE TO PAY HIM THAT AMOUNT.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE PREPARED: 07AUG95

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW- (b)(6), (b)(7)(C)

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED BY REPORTING AGENT AT THE NISE EAST SOUTH ANNEX COMPLEX, LOCATED IN THE SUMMIT BUILDING ON RIVERS AVE. IN NORTH CHARLESTON, SC. (b)(6), (b)(7)(C) WAS ADVISED THAT HE WAS NOT SUSPECTED OF ANY CRIMINAL VIOLATIONS. REPORTING AGENT DETERMINED THAT (b)(6), (b)(7)(C) WAS PARTICIPATING IN THE INTERVIEW VOLUNTARILY AND ADVISED (b)(6), (b)(7)(C) THAT HE COULD INITIATE FURTHER DISCUSSION AT A LATER TIME WITH REPORTING AGENT IF HE WISHED. (b)(6), (b)(7)(C) ADVISED THE FOLLOWING:

HE IS PRESENTLY EMPLOYED AS A SENIOR CONSULTANT, II BY BOOZ-ALLEN & HAMILTON. HE SUBMITTED (VIA A JOB SEARCH AGENCY) A RESUME PREPARED BY HIMSELF AND REFORMATTED BY THE JOB SEARCH AGENCY TO BOOZ-ALLEN & HAMILTON, INC. (B/A & H) PRIOR TO BEING HIRED. AFTER HE WAS HIRED, B/A & H ASKED (b)(6), (b)(7)(C) TO PREPARE ANOTHER RESUME WHICH HE DID AND SUBMITTED. B/A & H PROVIDED GUIDANCE CONCERNING FORMAT, NOT CONTENT, FOR THIS POST-HIRE RESUME. (b)(6), (b)(7)(C) MET THE REQUIREMENTS FOR HIS POSITION WHEN HE WAS HIRED. (b)(6), (b)(7)(C) IS PAID APPROXIMATELY \$46,000 PER YEAR AS HIS SALARY. HE WAS NOT AWARE OF ANYONE EMPLOYED WITH B/A & H WHO DID NOT MEET THEIR QUALIFICATIONS FOR EMPLOYMENT.

(b)(6), (b)(7)(C) WORKS MOSTLY ON ONE TASK ORDER, THAT OF A TASK CALLED "CAMP PENDLETON". HE CHARGES HIS TIME DAILY USING THE SAME CODE FOR EVERYTHING DONE ON THE ONE PROJECT HE WORKS ON. HE IS NOT AWARE OF, OR CAN'T REMEMBER ANY OTHER CODES FOR "CAMP PENDLETON" BESIDES THE ONE HE USES. HE HAS NEVER WORKED ON ONE PROJECT AND CHARGED HIS TIME TO ANOTHER.

THE PLANNED TIME SHEET IS A GUIDELINE REPRESENTING THE AMOUNT OF TIME (b)(6), (b)(7)(C) SHOULD SPEND WORKING ON THE JOB. SINCE (b)(6), (b)(7)(C) ONLY HAS ONE TASK, THE PLANNED TIME SHEET IS NOT BROKEN DOWN FARTHER THAN THAT. THIS SHEET IS PREPARED BY (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) RECALLED A FEW TIMES WHERE HE HAD TO INITIAL A CHANGE ON HIS TIME CARD. ONE TIME WAS DUE TO THE FACT THAT HE WROTE ONE NUMBER DOWN RELATING TO HIS TIME AND CAME BACK TO WORK THAT NIGHT AND HAD TO CROSS THE FIRST NUMBER DOWN AND PUT A NEW TOTAL. ANOTHER TIME WAS WHEN (b)(6), (b)(7)(C) MARKED OUT A TIME AND DIDN'T PUT A REASON FOR MARKING IT OUT. EITHER (b)(6), (b)(7)(C) (A SECRETARY) OR (b)(6), (b)(7)(C) HAD (b)(6), (b)(7)(C) PUT A REASON FOR WHY HE MARKED THE TIME OUT.

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TIME INPUT ADJUSTMENT SHEETS ARE FORMS WHICH ALLOW SOMEONE TO MAKE A CHANGE TO THEIR TIME SHEET IF IT HAS ALREADY BEEN SUBMITTED AND SIGNED OFF ON BY (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) HAS NOT EVER CHARGED MARKETING HOURS. HE DOES NOT KNOW OF ANYONE WHO WORKS FOR B/A & H AS A CONSULTANT, SUBCONTRACTOR, INDEPENDENT CONTRACTOR OR IS OTHERWISE A NON-SALARIED EMPLOYEE EXCEPT FOR (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) A SOFTWARE CONSULTANT ON ANOTHER PROJECT, POSSIBLY CALLED "CBT". (b)(6), (b)(7)(C) FOUND THIS OUT WHEN HE WENT TO LUNCH WITH (b)(6), (b)(7)(C) HE HAS ONLY SEEN (b)(6), (b)(7)(C) A FEW TIMES AND DOES NOT KNOW THE EXTENT OF HIS EMPLOYMENT WITH B/A & H. (b)(6), (b)(7)(C) HAS ATTENDED COMPANY SPONSORED ETHICS TRAINING, ONCE ON THE FIRST DAY OF WORK (24APR95) AND AT NEW HIRE TRAINING ABOUT 20JUL95.

(b)(6), (b)(7)(C) THOUGHT (b)(6), (b)(7)(C) WAS THE PROGRAM MANAGER OF THE CONTRACT IN QUESTION. HOWEVER, (b)(6), (b)(7)(C) IS NOT THERE NOW AND IT IS PROBABLY SOMEONE ELSE. (b)(6), (b)(7)(C) IS IN CHARGE OF THE CHARLESTON, SC OFFICE OF B/A & H. HE IS JUST "ABOVE" (b)(6), (b)(7)(C) AND WILL NOW ASSUME SOME OF (b)(6), (b)(7)(C) DUTIES.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE PREPARED: 07AUG95

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW- (b)(6), (b)(7)(C)

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED BY REPORTING AND PARTICIPATING AGENT AT THE NISE EAST SOUTH ANNEX COMPLEX, LOCATED IN THE SUMMIT BUILDING ON RIVERS AVE. IN NORTH CHARLESTON, SC. (b)(6), (b)(7)(C) WAS ADVISED THAT HE WAS NOT SUSPECTED OF ANY CRIMINAL VIOLATIONS. REPORTING AGENT DETERMINED THAT (b)(6), (b)(7)(C) WAS PARTICIPATING IN THE INTERVIEW VOLUNTARILY AND ADVISED (b)(6), (b)(7)(C) THAT HE COULD INITIATE FURTHER DISCUSSION AT A LATER TIME WITH REPORTING AGENT IF HE WISHED. (b)(6), (b)(7)(C) ADVISED THE FOLLOWING:

HE IS PRESENTLY EMPLOYED AS A SENIOR CONSULTANT BY BOOZ-ALLEN & HAMILTON. HE SUBMITTED A RESUME PREPARED BY HIMSELF TO BOOZ-ALLEN & HAMILTON, INC. (B/A & H) PRIOR TO BEING HIRED. EXCEPT FOR ONE INSTANCE, HE HAS NOT BEEN DIRECTED BY B/A & H TO PREPARE ADDITIONAL RESUMES, HOWEVER, AS A MATTER OF PROFESSIONAL PRACTICE, HE UPDATES HIS RESUME WHENEVER AN ASSIGNMENT IS COMPLETED. THE ONE TIME B/A & H DIRECTED ANYTHING BE DONE INVOLVING RESUMES TOOK PLACE ABOUT ONE YEAR AGO. (b)(6), (b)(7)(C) DIRECTED (b)(6), (b)(7)(C) TO MAKE SURE HIS RESUME WAS UP TO DATE AND ON FILE. (b)(6), (b)(7)(C) KNEW THAT HE HAD ALREADY COMPLIED WITH THAT DIRECTION. (b)(6), (b)(7)(C) IS PAID APPROXIMATELY \$43,000 PER YEAR AS HIS SALARY. HE WAS NOT AWARE OF ANYONE EMPLOYED WITH B/A & H WHO DID NOT MEET THEIR QUALIFICATIONS FOR EMPLOYMENT.

(b)(6), (b)(7)(C) WORKS ON 4 - 5 TASKS INCLUDING #331 (NATCIP-A), #332 (NATCIP-B), #111 (IWAKUNI) AND A TASK CALLED "CAMP PENDLETON". HE CHARGES HIS TIME BY KEEPING A RECORD OF HOW MUCH TIME HE SPENDS ON EACH TASK AND ENTERS HIS TIME ACCORDINGLY AT THE END OF EACH DAY.

THE PLANNED TIME SHEET IS A WORKING TOOL. IT BREAKS OUT HIS TASKING AND INDICATES THE PERCENTAGE OF TIME HE SHOULD SPEND ON EACH ACTIVITY. THIS SHEET IS PREPARED BY (b)(6), (b)(7)(C) WITH INPUT FROM (b)(6), (b)(7)(C) AT TIMES. IT IS DONE TO GIVE AN IDEA OF HOW TO PLAN HIS (b)(6), (b)(7)(C) TIME FOR EACH MONTH. IF (b)(6), (b)(7)(C) PERCEIVES PROBLEMS WITH THE PLANNED TIME SHEET, HE GOES TO (b)(6), (b)(7)(C) IF IT IS EARLY IN THE MONTH AND HE ISSUES AN AMENDMENT TO THE PLANNED TIME SHEET. SOMETIMES (b)(6), (b)(7)(C) DOES NOT ISSUE AN AMENDMENT, AND THE PROBLEM IS NOTED VERBALLY. (b)(6), (b)(7)(C) REMEMBERS A MEMO FROM (b)(6), (b)(7)(C) INDICATING NOT TO DEVIATE FROM THE PLANNED TIME WITHOUT HIS SAY SO. HOWEVER, TO CLARIFY, (b)(6), (b)(7)(C) INDICATED THAT AS LONG AS HE WORKS WITHIN

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THE PROJECTS ASSIGNED TO HIM, HE IS O.K. IF HE WORKS OUTSIDE OF THE PROJECTS ASSIGNED TO HIM, HE MUST GIVE (b)(6), (b)(7)(C) A "HEADS UP". SO FAR, (b)(6), (b)(7)(C) HAS NOT WORKED OUTSIDE OF THE PROJECTS ASSIGNED TO HIM. (b)(6), (b)(7)(C) CAN'T RECALL CHARGING TO A TASK THAT HE DIDN'T HAVE PLANNED TIME FOR.

(b)(6), (b)(7)(C) HAS COMMITTED DOZENS OF ADMINISTRATIVE ERRORS WHICH HE CATCHES AND WHERE HE HAS TO INITIAL A CHANGE ON HIS TIME CARD. TIME INPUT ADJUSTMENT SHEETS ARE FORMS WHICH ALLOW SOMEONE TO MAKE A CHANGE TO THEIR TIME SHEET IF IT HAS ALREADY BEEN SUBMITTED TO CORPORATE HEADQUARTERS IN WASHINGTON, DC. (b)(6), (b)(7)(C) HAS HAD TO FILL OUT ONE OF THESE WHEN HE CHARGED HIS TIME TO THE WRONG TASK NUMBER, INVERTING THE LAST TWO NUMBERS. IT WAS AN ADMINISTRATIVE MISTAKE WHICH CHARGED TO A PROJECT OUT OF WASHINGTON, DC. (b)(6), (b)(7)(C) DOES NOT REMEMBER HAVING TO FILL OUT ANY OTHER TIME INPUT ADJUSTMENT SHEETS.

(b)(6), (b)(7)(C) CHARGED MARKETING HOURS ONE TIME, A LONG TIME AGO AND DOESN'T REMEMBER THE DETAILS. HE DOES NOT KNOW OF ANYONE WHO WORKS FOR B/A & H AS A CONSULTANT, SUBCONTRACTOR, INDEPENDENT CONTRACTOR OR IS OTHERWISE A NON-SALARIED EMPLOYEE EXCEPT FOR (b)(6), (b)(7)(C) WHO WORKS AS AN OUTSIDE CONSULTANT. (b)(6), (b)(7)(C) HAS HIS BACKGROUND IN AIR TRAFFICK CONTROL. HE WORKS OUT OF HIS HOME IN OREGON AND HAS WORKED ON THIS CONTRACT (N00612-91-D8001) PERIODICALLY. (b)(6), (b)(7)(C) HAS SEEN (b)(6), (b)(7)(C) ABOUT 2 - 3 TIMES IN THE THREE YEARS HE HAS BEEN EMPLOYED WITH B/A & H. (b)(6), (b)(7)(C) HAS NOT ATTENDED COMPANY SPONSORED ETHICS TRAINING. (b)(6), (b)(7)(C) IS THE PROGRAM MANAGER OF THE CONTRACT IN QUESTION. (b)(6), (b)(7)(C) IS THE VICE PRESIDENT OF THIS LOCAL PRACTICE OF B/A & H.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

PARTICIPATING AGENT: (b)(6), (b)(7)(C) SA, NCISFO CHARLESTON, SC
REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE PREPARED: 07AUG95

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TITLE: C/BOOZ-ALLEN AND HAMILTON INC.
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INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

ON 02AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED RELATIVE TO HER EMPLOY WITH BOOZ-ALLEN AND HAMILTON AND COMPANY POLICY AS IT PERTAINS TO WORK ON GOVERNMENT CONTRACTS. (b)(6), (b)(7)(C) STATED THAT SHE WAS HIRED ON 09AUG93. IN RESPONSE TO BEING ASKED ABOUT HER RESUME, (b)(6), (b)(7)(C) STATED THAT SHE PREPARED IT HERSELF IN APPROXIMATELY JULY 1993. SHE STATED THAT IT CORRECTLY REPRESENTS HER EXPERIENCE AND EDUCATION. SHE FURTHER ADDED THAT SHE WAS NOT TOLD WHAT TO PUT IN IT. SHE STATED THAT SHE WAS HIRED TO DO GRAPHICS (AUTOCAD), WHICH IS COMPUTERIZED DESIGN.

WHEN ASKED IF HE KNEW OF ANYONE WORKING IN A POSITION ON A GOVERNMENT CONTRACT FOR WHICH THE INDIVIDUAL WAS NOT QUALIFIED, (b)(6), (b)(7)(C) REPLIED THAT SHE DIDN'T. AS FAR AS CURRENT PROJECTS ARE CONCERNED, (b)(6), (b)(7)(C) STATED THAT SHE WORKS ON VARIOUS TASKS WHICH REQUIRE GRAPHICS. SHE STATED THAT SHE HAS CREATED A "DRAFTING REQUEST FORM" WHICH TELLS THE REQUESTER TO PUT DOWN THE CHARGE NUMBER AND INSTRUCTIONS FOR THE WORK. SHE STATED THAT SHE DOES THIS SO SHE WON'T HAVE TO LOOK UP OR ASK CHARGE CODES FOR THE WORK SHE IS PERFORMING. (b)(6), (b)(7)(C) STATED THAT SHE THEN PUTS IT ON HER TIME SHEET. SHE STATED THAT SHE HAS NEVER CHARGED TIME TO ANOTHER AREA THAN THE ONE WORKED. SHE DID ADD THAT SHE HAS WORKED ON A PROJECT AND FOUND OUT THERE WAS NO FUNDING AND THE COMPANY WORKED IT OUT WITH NISE EAST. (b)(6), (b)(7)(C) STATED TO THE BEST OF HER KNOWLEDGE IT OCCURRED AT THE BEGINNING OF THE YEAR AND SHE CAN'T REMEMBER THE PROJECT SHE WAS WORKING ON. SHE STATED THAT SHE WAS TOLD TO WORK ON THE PROJECT BY (b)(6), (b)(7)(C)

IN RESPONSE TO BEING ASKED ABOUT THE "PLANNED TIME SHEET", (b)(6), (b)(7)(C) RESPONDED THAT IT IS PROPOSED HOURS TO BE WORKED. SHE STATED THAT IT IS NOT ALWAYS THE SAME AS ACTUAL WORK. SHE ADDED THE IF HOURS RUN OVER SHE WILL ASK IF THE WORK IS OVER THE PLANNED TIME FOR THE PROJECT. (b)(6), (b)(7)(C) FURTHER ADDED THAT SHE HAS ALL OF HER TIME SHEETS AT HER DESK AND IS WILLING TO PROVIDE THEM AS NECESSARY. SHE STATED THE SHEET ARE PUT IN THEIR BOXES (INTERNAL MAIL SLOTS), BUT IS UNSURE AS TO WHO PRODUCES THEM. (b)(6), (b)(7)(C) ADDED THAT ALL OF THE PLANNED TIME SHEETS ARE THE SAME. WITH REGARDS TO MAKING CHANGES TO TIME SHEETS, (b)(6), (b)(7)(C) STATED THAT SHE HAS MADE MISTAKES AND HAS INITIALED ALL CHANGES. SHE STATED THAT SHE CAN'T REMEMBER ANY SPECIFIC TIMES THAT SHE CHANGED CODES, BUT THAT ALL CHANGES WERE CORRECT. SHE FURTHER ADMITTED TO MAKING A CHANGE THIS WEEK.

WITH REGARD TO TIME INPUT ADJUSTMENT SHEETS, (b)(6), (b)(7)(C) STATED TO THE BEST OF HER KNOWLEDGE THE SHEETS ARE TO CORRECT TIME REPORTED FOR PRODUCTION. SHE STATES SHE HAS NEVER FILLED ONE OUT. WITH REGARD TO MARKETING HOURS, (b)(6), (b)(7)(C) STATED THAT SHE HAS NEVER CHARGED ANY TIME. WHEN ASKED IF SHE KNEW ANYONE WORKING IN THE CAPACITY AS A CONSULTANT OR SUBCONTRACTOR, (b)(6), (b)(7)(C) REPLIED SHE DIDN'T.

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IN RESPONSE TO BEING ASKED IF SHE ATTENDED ETHICS TRAINING,
(b)(6), (b)(7)(C) STATED THAT SHE HAS NOT, BUT THAT SHE WAS PROVIDED
INFORMATION ON ETHICS. WHEN ASKED WHO THE PROGRAM MANAGER WAS SHE
REPLIED, (b)(6), (b)(7)(C) WHEN ASKED WHO (b)(6), (b)(7)(C) WAS, (b)(6), (b)(7)(C)
REPLIED THAT HE IS (b)(6), (b)(7)(C) BOSS. SHE STATED THAT HE IS
THE "BIG GUY FROM WASHINGTON."

BIOGRAPHICAL DATA:

(b)(6), (b)(7)(C)

REPORTING AGENT:
OFFICE:
DATE PREPARED:

(b)(6), (b)(7)(C)
NCISFO CHARLESTON, SC
03AUG95

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INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED RELATIVE TO HIS EMPLOY WITH BOOZ-ALLEN AND HAMILTON AND COMPANY POLICY AS IT PERTAINS TO WORK ON GOVERNMENT CONTRACTS. (b)(6), (b)(7)(C) STATED THAT HE WAS HIRED IN JULY 1991. IN RESPONSE TO BEING ASKED ABOUT HIS RESUME, (b)(6), (b)(7)(C) STATED THAT HE IS NOT SURE IF HE PREPARED IT, BUT IS CERTAIN THAT IT CORRECTLY REFLECTS HIS EDUCATION AND EXPERIENCE. (b)(6), (b)(7)(C) STATED THAT HE HAS AN ELECTRICAL ENGINEERING DEGREE AND THAT HE WAS HIRED BY (b)(6), (b)(7)(C) (NO LONGER WITH THE FIRM). (b)(6), (b)(7)(C) ADDED THAT HE WAS NEVER TOLD WHAT TO PUT IN THE RESUME AND THAT HE UPDATED IT IN JULY 1995.

WHEN ASKED IF HE KNEW OF ANYONE WORKING IN A POSITION ON A GOVERNMENT CONTRACT FOR WHICH THE INDIVIDUAL WAS NOT QUALIFIED, (b)(6), (b)(7)(C) REPLIED THAT HE DIDN'T. AS FAR AS CURRENT PROJECTS ARE CONCERNED, (b)(6), (b)(7)(C) STATED HE IS WORKING ON THE AIR FIELD LIGHTING CONTROL SYSTEMS (AFLCS) AND VIDS (VIDEO INFORMATION DISPLAY SYSTEM). (b)(6), (b)(7)(C) STATED THAT HE HAS ALWAYS CHARGED HIS HOURS TO THE PROJECT HE HAS WORKED. HE FURTHER DENIED EVER WORKING ON ONE PROJECT AND CHARGING HIS TIME TO ANOTHER. FURTHERMORE, (b)(6), (b)(7)(C) STATED THAT HE HAS NEVER WORKED ON AN UNFUNDED PROJECT.

IN RESPONSE TO BEING ASKED ABOUT THE "PLANNED TIME SHEET", (b)(6), (b)(7)(C) RESPONDED THAT IT IS AN ESTIMATE OF WHAT (b)(6), (b)(7)(C) EXPECTS WORKERS TO BE WORKING ON. HE ADDED THAT IT IS A TOOL TO AVOID RUNNING INTO PROBLEMS. (b)(6), (b)(7)(C) FURTHER ADDED THAT HE HAS ALL OF HIS TIME SHEETS AT HIS DESK AND IS WILLING TO PROVIDE THEM AS NECESSARY. (b)(6), (b)(7)(C) FURTHER STATED THAT (b)(6), (b)(7)(C) PREPARED THEM UNTIL APPROXIMATELY TWO MONTHS AGO. (b)(6), (b)(7)(C) STATED THAT SINCE THAT TIME (b)(6), (b)(7)(C) HAS ASKED HIM FOR HIS INPUT. WHEN ASKED WHAT HAPPENS IF TIME WORKED DEVIATES FROM THE SHEET, (b)(6), (b)(7)(C) REPLIED THAT IT HASN'T HAPPENED. (b)(6), (b)(7)(C) STATED THAT IF ONE WERE GOING TO DEVIATE FROM THE SHEET THAT HE/SHE WOULD HAVE TO LET (b)(6), (b)(7)(C) KNOW IN ORDER THAT HE (b)(6), (b)(7)(C) COULD REEVALUATE THE SHEET. WHEN ASKED IF HE HAD CHANGED HIS TIME CARD BEFORE, (b)(6), (b)(7)(C) REPLIED, ALL THE TIME."

(b)(6), (b)(7)(C) ADDED THAT HE HAS PUT HIS NAME DOWN INCORRECTLY OR PLACED CODES IN THE WRONG COLUMNS. (b)(6), (b)(7)(C) STATED THAT ALL THE CHANGES WERE CORRECT. HE FURTHER ADDED THAT NO ONE HAS TOLD HIM TO CHANGE HIS TIME. WITH REGARD TO TIME INPUT ADJUSTMENT SHEETS, (b)(6), (b)(7)(C) STATED THAT AFTER TIME IS IN THE SYSTEM THE ADJUSTMENT SHEETS CAN BE USED TO CHANGE HOW THE TIME IS CHARGED. (b)(6), (b)(7)(C) STATED THAT HE HAS USED THEM TWICE: ONCE WHEN HE ACCIDENTALLY CHARGED EIGHT (8) HOURS TO VACATION WHEN IT WAS ACTUALLY A HOLIDAY. (b)(6), (b)(7)(C) COULD NOT REMEMBER THE SECOND INCIDENT. WITH REGARD TO MARKETING HOURS,

(b)(6), (b)(7)(C) STATED THAT HE GETS HIS HOURS FROM (b)(6), (b)(7)(C). WHEN ASKED IF HE KNEW ANYONE WORKING IN THE CAPACITY AS A CONSULTANT OR SUBCONTRACTOR, (b)(6), (b)(7)(C) REPLIED THAT (b)(6), (b)(7)(C). A

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COMPUTER SPECIALIST, HAS BEEN WORKING FOR THE COMPANY. (b)(6), (b)(7)(C)
STATED THAT HE ISN'T SURE OF WHAT HE IS DOING. IN RESPONSE TO
BEING ASKED IF HE ATTENDED ETHICS TRAINING, (b)(6), (b)(7)(C) STATED THAT HE
HAS NOT, BUT THAT HE WAS PROVIDED A BOOKLET ON ETHICS. WHEN ASKED
WHO THE PROGRAM MANAGER WAS HE REPLIED, (b)(6), (b)(7)(C) WHEN ASKED
WHO (b)(6), (b)(7)(C) WAS, (b)(6), (b)(7)(C) REPLIED THAT HE IS (b)(6), (b)(7)(C)
BOSS. HE STATED THAT HE BELIEVES HE IS A PARTNER OR PRINCIPAL.

BIOGRAPHICAL DATA:

(b)(6), (b)(7)(C)

REPORTING AGENT:
OFFICE:
DATE PREPARED:

(b)(6), (b)(7)(C)
NCISFO CHARLESTON, SC
03AUG95

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TITLE: C/BOOZ-ALLEN AND HAMILTON INC.
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INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED RELATIVE TO HIS EMPLOY WITH BOOZ-ALLEN AND HAMILTON AND COMPANY POLICY AS IT PERTAINS TO WORK ON GOVERNMENT CONTRACTS. (b)(6), (b)(7)(C) STATED THAT HE WAS HIRED ON 28APR95. (b)(6), (b)(7)(C) STATED THAT HE PREPARED HIS RESUME HIMSELF THREE YEARS AGO AND SENT IT TO (b)(6), (b)(7)(C) WHO FORWARDED IT TO (b)(6), (b)(7)(C) STATED THAT THE RESUME ACCURATELY REFLECTS HIS EDUCATION AND WORK EXPERIENCE. (b)(6), (b)(7)(C) ADDED THAT SINCE BEING WITH BOOZ-ALLEN HE HAS HAD TO UPDATE HIS RESUME AND THAT HE AGAIN DID IT HIMSELF WITHOUT ANYONE TELLING HIM WHAT QUALIFICATIONS TO PUT IN IT.

WHEN ASKED IF HE KNEW OF ANYONE WORKING IN A POSITION ON A GOVERNMENT CONTRACT FOR WHICH THE INDIVIDUAL WAS NOT QUALIFIED, (b)(6), (b)(7)(C) REPLIED THAT HE DIDN'T. (b)(6), (b)(7)(C) STATED THAT HE IS NOW WORKING ON THE CAMP PENDLETON RANGE CONTROL FACILITY AND THAT HE CHARGES HIS TIME TO THE CODE PROVIDED BY (b)(6), (b)(7)(C) ADDED THAT HE ALSO CHARGES TEN HOURS PER WEEK TO CBT (COMPUTER BASE TRAINING) THAT HE HAS WORKED. (b)(6), (b)(7)(C) WENT ON TO ADD THAT HE HAS NEVER WORKED ON ONE PROJECT AND CHARGED HIS TIME TO ANOTHER. FURTHERMORE, (b)(6), (b)(7)(C) STATED THAT HE HAS NEVER WORKED ON AN UNFUNDED PROJECT.

IN RESPONSE TO BEING ASKED ABOUT THE "PLANNED TIME SHEET", (b)(6), (b)(7)(C) STATED TO THE BEST OF HIS KNOWLEDGE THE SHEETS ARE WHAT (b)(6), (b)(7)(C) ASSESSES THAT "WE'LL BE WORKING DURING A PAY PERIOD." (b)(6), (b)(7)(C) ADDED THAT HE HAS ALL OF HIS TIME SHEETS AT HIS DESK AND IS WILLING TO PROVIDE THEM AS NECESSARY. (b)(6), (b)(7)(C) STATED THAT (b)(6), (b)(7)(C) HAS A SECRETARY, (b)(6), (b)(7)(C) DISTRIBUTE THE SHEETS. (b)(6), (b)(7)(C) FURTHER STATED THAT HE WOULD INFORM (b)(6), (b)(7)(C) OF ANY CHANGES IN HIS SCHEDULE AND (b)(6), (b)(7)(C) WOULD HAVE TO AUTHORIZE THE CHANGE. WHEN ASKED IF HE HAD CHANGED HIS TIME CARD BEFORE, (b)(6), (b)(7)(C) REPLIED THAT HE HAS BUT COULD NOT REMEMBER ANY SPECIFICS OTHER THAN BEING TOLD BY (b)(6), (b)(7)(C) THAT HE HAD FILLED SOMETHING IN INCORRECTLY AND HE WOULD CORRECT IT. (b)(6), (b)(7)(C) HOWEVER, ADDED THAT ANY CHANGES HE MADE WERE CORRECT. (b)(6), (b)(7)(C) FURTHER STATED THAT IF THE CARD HAD AN INCORRECT CHARGE NUMBER (b)(6), (b)(7)(C) WOULD TELL HIM TO CHANGE IT. WITH REGARD TO TIME INPUT ADJUSTMENT SHEETS, (b)(6), (b)(7)(C) STATED THAT HE HEARD THEY ALLOW THE WORKER TO SUBMIT CHANGES ON THE TIME CHARGED AFTER TIME SHEETS HAVE BEEN SUBMITTED. (b)(6), (b)(7)(C) STATED THAT HE HAS NEVER SUBMITTED AN ADJUSTMENT SHEET. WITH REGARD TO MARKETING HOURS, (b)(6), (b)(7)(C) STATED THAT HE CHARGES HIS HOURS TO THE PROJECT WORKED.

WHEN ASKED IF HE KNEW ANYONE WORKING IN THE CAPACITY AS A CONSULTANT OR SUBCONTRACTOR, (b)(6), (b)(7)(C) REPLIED THAT HE DIDN'T. IN RESPONSE TO BEING ASKED IF HE ATTENDED ETHICS TRAINING, (b)(6), (b)(7)(C) STATED HE HAD. WHEN ASKED WHO THE PROGRAM MANAGER WAS HE REPLIED,

TITLE: C/BOOZ-ALLEN AND HAMILTON INC.
CCN: 05MAY94-05CS-0153-4GNA

(b)(6), (b)(7)(C) DID ADD THAT HE WASN'T ONE HUNDRED PERCENT
CERTAIN THAT (b)(6), (b)(7)(C) WAS THE PROGRAM MANGER. HE STATED THAT HE
THOUGHT OF HIM AS THE LOCATION MANAGER. WHEN ASKED WHO (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) WAS, (b)(6), (b)(7)(C) REPLIED THAT HE DIDN'T KNOW.

BIOGRAPHICAL DATA:

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE PREPARED: 03AUG95

PAGE 2 OF 2

TITLE: C/BOOZ-ALLEN AND HAMILTON INC.
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED RELATIVE TO HIS EMPLOY WITH BOOZ-ALLEN AND HAMILTON AND COMPANY POLICY AS IT PERTAINS TO WORK ON GOVERNMENT CONTRACTS. (b)(6), (b)(7)(C) STATED THAT HE WAS HIRED ON 22AUG94 AND THAT HE WAS HIRED AWAY FROM ANOTHER COMPANY BY BOOZ-ALLEN. (b)(6), (b)(7)(C) STATED THAT HE PREPARED HIS RESUME HIMSELF AND THAT IT ACCURATELY REFLECTS HIS EDUCATION AND WORK EXPERIENCE. (b)(6), (b)(7)(C) ADDED THAT SINCE BEING WITH BOOZ-ALLEN HE HAS HAD TO UPDATE HIS RESUME AND THAT HE AGAIN DID IT HIMSELF WITHOUT ANYONE TELLING HIM WHAT QUALIFICATIONS TO PUT IN IT. (b)(6), (b)(7)(C) ADDED THAT THE RESUME IS KEPT ON THE COMPANY'S FILE SERVER.

WHEN ASKED IF HE KNEW OF ANYONE WORKING IN A POSITION ON A GOVERNMENT CONTRACT FOR WHICH THE INDIVIDUAL WAS NOT QUALIFIED, (b)(6), (b)(7)(C) STATED THAT HE DIDN'T KNOW THAT MANY PEOPLE AND BELIEVED EVERYONE IS QUALIFIED. (b)(6), (b)(7)(C) WENT ON TO ADD THAT HE DOESN'T KNOW WHAT CATEGORIES PEOPLE WORK WITH THE EXCEPTION OF ONE OR TWO. (b)(6), (b)(7)(C) STATED THAT HE HAS ONLY CHARGED HIS TIME TO TWO TASKS: VIDEO INFORMATION DISTRIBUTION SYSTEM AND ABOUT TWENTY (20) HOURS TO NAVAL AIRSPACE MODERNIZATION.

IN RESPONSE TO BEING ASKED ABOUT THE "PLANNED TIME SHEET", (b)(6), (b)(7)(C) STATED TO THE BEST OF HIS KNOWLEDGE THE SHEETS LET THE COMPANY KNOW WHAT THE INDIVIDUAL HAS BEEN WORKING ON AND THE HOURS WORKED. (b)(6), (b)(7)(C) ADDED THAT THE TIME SHEET WILL NOT COMPLETELY COINCIDE WITH ACTUAL TIME SHEETS. (b)(6), (b)(7)(C) ADDED THAT HE HAS ALL OF HIS TIME SHEETS AT HIS DESK AND IS WILLING TO PROVIDE THEM AS NECESSARY. WHEN ASKED IF HE HAD CHANGED HIS TIME CARD BEFORE, (b)(6), (b)(7)(C) REPLIED THAT HE HAS ACCIDENTALLY PUT DOWN THE TIME ON THE WRONG DAY AND HAD TO GO BACK AND CORRECT IT AND INITIAL THE CHANGE. (b)(6), (b)(7)(C) STATED THAT HE CAN'T REMEMBER ANY PARTICULAR INCIDENT, BUT HAS THE TIME SHEETS IF A REFERENCE NEEDS TO BE MADE. (b)(6), (b)(7)(C) WENT ON TO ADD THAT THE TIME INPUT ADJUSTMENT SHEETS ARE USED TO ADJUST HOURS WORKED. (b)(6), (b)(7)(C) STATED THAT HE HASN'T USED THE ADJUSTMENT SHEETS BEFORE. WHEN ASKED IF HE CHARGED ANYTHING TO MARKETING, (b)(6), (b)(7)(C) RESPONDED THAT HASN'T CHARGED ANY BECAUSE HE HASN'T HAD ANY WORK IN THE AREA.

WHEN ASKED IF HE KNOWS ANYONE WHO WORKS ON THE CONTRACT AS A CONSULTANT OR SUBCONTRACTOR, (b)(6), (b)(7)(C) REPLIED THAT A MAN NAMED (b)(6), (b)(7)(C) WORKS FOR ANOTHER COMPANY. (b)(6), (b)(7)(C) ADDED THAT (b)(6), (b)(7)(C) IS FAMILIAR WITH MICROSOFT WINDOWS AND DEVELOPMENT SOFTWARE. (b)(6), (b)(7)(C) FURTHER ADDED THAT (b)(6), (b)(7)(C) DID AN ANALYSIS OF HIS (b)(6), (b)(7)(C) WORK.

IN RESPONSE TO BEING ASKED IF HE ATTENDED ETHICS TRAINING, (b)(6), (b)(7)(C) STATED HE HAD. WHEN ASKED WHO THE PROGRAM MANAGER WAS HE REPLIED, (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) DID ADD THAT HE WASN'T ONE HUNDRED PERCENT CERTAIN THAT (b)(6), (b)(7)(C) WAS THE PROGRAM MANGER. WHEN ASKED WHO (b)(6), (b)(7)(C) WAS, (b)(6), (b)(7)(C) REPLIED THAT HE IS (b)(6), (b)(7)(C) BOSS. (b)(6), (b)(7)(C) ADDED THAT HE THINKS (b)(6), (b)(7)(C) IS A VICE PRESIDENT.

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CCN: 05MAY94-05CS-0153-4GNA

BIOGRAPHICAL DATA:

(b)(6), (b)(7)(C)

REPORTING AGENT:
OFFICE:
DATE PREPARED:

(b)(6), (b)(7)(C)
NCISFO CHARLESTON, SC
03AUG95

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: INTERVIEW OF (b)(6), (b)(7)(C)

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED AT NISE EAST LOCATED IN THE SUMMIT BUILDING, NORTH CHARLESTON, SC. (b)(6), (b)(7)(C) WAS ADVISED THAT HE WAS BEING INTERVIEWED REGARDING HIS EMPLOYMENT WITH BOOZ-ALLEN & HAMILTON. PRESENT DURING THE INTERVIEW WAS (b)(6), (b)(7)(C) ATTORNEY. (b)(6), (b)(7)(C) WAS HIRED BY BOOZ-ALLEN & HAMILTON TO REPRESENT ANY EMPLOYEES WHO DESIRED TO HAVE AN ATTORNEY PRESENT DURING THEIR INTERVIEW.

(b)(6), (b)(7)(C) STATED HE IS A RESEARCH ASSISTANT AND WAS HIRED 01JUN94 AS AN INDEPENDENT CONTRACTOR BY (b)(6), (b)(7)(C) ADDED THAT ON 14NOV94 HE BECAME A NON-EXEMPT EMPLOYEE WHICH MEANS HE WORKS 40 HOURS A WEEK AND GETS PAID OVERTIME UNLIKE THE OTHER EMPLOYEES WHO ARE ON SALARY. (b)(6), (b)(7)(C) ADDED (b)(6), (b)(7)(C) IS THE ONLY OTHER NON-EXEMPT EMPLOYEE HE KNOWS OF. HE STATED HE IS PAID \$11.00 AN HOUR AND RARELY WORKS OVERTIME.

(b)(6), (b)(7)(C) STATED THAT HE HAS PREPARED A RESUME FOR THE "RE-COMPETE" CONTRACT FOR HIS COMPANY. HE ADDED THAT THE ONLY REQUIREMENT FOR HIS POSITION THAT HE KNEW OF WAS THAT HE BE PROFICIENT WITH "AUTOCAD." (b)(6), (b)(7)(C) STATED HE WORKED PREVIOUSLY WITH MILCOM SYSTEMS CORP IN THE AUTOCAD PROGRAM FOR ONE YEAR, FROM JUN93-JUN94. (b)(6), (b)(7)(C) ADDED HE HAS A CERTIFICATE FROM TRIDENT TECHNICAL COLLEGE IN COMPUTER DESIGN. (b)(6), (b)(7)(C) WAS UNAWARE IF HE WAS A "KEY PERSONNEL" OF THIS CONTRACT.

(b)(6), (b)(7)(C) STATED HE IS NOT AWARE OF ANYONE IN HIS OFFICE WHO IS NOT QUALIFIED FOR THEIR POSITION.

(b)(6), (b)(7)(C) STATED HE AND (b)(6), (b)(7)(C) WORK ON AUTOCAD BUT THAT HE WORKS ON SEVERAL PROJECTS, AS MANY AS FOUR DIFFERENT PROJECTS PER DAY. HE SAID THE PERSON IN CHARGE OF THE PROJECT FILLS OUT A DRAFT AND REQUEST FORM TO ACCOUNT FOR HIS TIME. (b)(6), (b)(7)(C) STATED THE FORMS HAVE ALWAYS BEEN ACCURATE. (b)(6), (b)(7)(C) STATED HE HAS NEVER WORKED ON ONE PROJECT BUT CHARGED HIS TIME TO ANOTHER EXCEPT WHEN HE TALKED TO LAWYERS FOR ABOUT AN HOUR REGARDING THIS INTERVIEW AND WROTE THE WRONG NUMBER FOR ADMINISTRATIVE TIME.

(b)(6), (b)(7)(C) STATED HE RECEIVES MONTHLY PLANNED TIME SHEETS FROM (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) HE AGREED THAT IT WAS DIFFICULT TO PLAN HIS TIME SINCE HE WORKS ON SO MANY DIFFERENT PROJECTS AND THAT IF HE EXCEEDS HIS PLANNED TIME ON A PROJECT HE TELLS (b)(6), (b)(7)(C) IF HE COMES IN UNDER THE ALLOTTED TIME HE DOESN'T.

(b)(6), (b)(7)(C) SAID HE HAS INITIALLED CHANGES ON HIS TIME CARD BUT IT WAS BECAUSE HE HAD TOTALLED THE HOURS INCORRECTLY. HE ADDED THAT ABOUT 3-4 MONTHS AGO A TASK LEADER TOLD HIM TO CHANGE A TASK NUMBER ON HIS TIME CARD BUT HE COULD NOT REMEMBER WHO THE TASK LEADER WAS.

(b)(6), (b)(7)(C) STATED HE HAS NEVER FILLED OUT A TIME INPUT ADJUSTMENT SHEET.

WARNING EXHIBIT (15)

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C) STATED THAT (b)(6), (b)(7)(C) WAS ALSO AN INDEPENDENT CONTRACTOR.

(b)(6), (b)(7)(C) STATED HE ATTENDED ETHICS TRAINING PUT ON BY HIS COMPANY IN MARCH OR APRIL 1995 IN FORT WALTON BEACH, FL.

(b)(6), (b)(7)(C) STATED HE KNEW (b)(6), (b)(7)(C) AS THE PROGRAM MANAGER OF THIS CONTRACT AND KNEW (b)(6), (b)(7)(C) AS AN OFFICER OF THE COMPANY.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE TYPED: 08AUG95

WARNING

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: INTERVIEW OF (b)(6), (b)(7)(C)

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED AT NISE EAST, SUMMIT BUILDING, NORTH CHARLESTON, SC. PRESENT DURING THE INTERVIEW WAS (b)(6), (b)(7)(C) ATTORNEY, HIRED BY BOOZ-ALLEN & HAMILTON TO BE PRESENT DURING INTERVIEWS AT THE REQUEST OF THE EMPLOYEE BEING INTERVIEWED. (b)(6), (b)(7)(C) CONFIRMED HE HAD REQUESTED (b)(6), (b)(7)(C) BE PRESENT.

(b)(6), (b)(7)(C) STATED HE IS A DATA MANAGEMENT ASSISTANT AND IS PAID \$17,500 PER YEAR. (b)(6), (b)(7)(C) STATED HE WAS ORIGINALLY HIRED AS A CONSULTANT ON 10OCT94 UNTIL 03APR95 WHEN HE BECAME A 40 HOUR A WEEK SALARIED EMPLOYEE. WHILE HE WAS A CONSULTANT HE WAS PAID \$10 PER HOUR. (b)(6), (b)(7)(C) STATED HE WAS HIRED BY (b)(6), (b)(7)(C) STATED HE WAS NOT AWARE THAT EMPLOYEES WORKING ON THIS CONTRACT WERE SUBJECT TO KEY PERSONNEL QUALIFICATION REQUIREMENTS. HE STATED THAT HE SUBMITTED A RESUME ABOUT 2 MONTHS AGO TO (b)(6), (b)(7)(C) ADMINISTRATIVE ASSISTANT, AFTER (b)(6), (b)(7)(C) SENT AN E-MAIL TO HIM VIA (b)(6), (b)(7)(C) HE STATED ABOUT 3 MONTHS AGO (b)(6), (b)(7)(C) TOLD THEM RESUMES WERE REQUIRED.

(b)(6), (b)(7)(C) STATED HE WORKS ON CDM, NAALS AND MIUW AND NEVER CHARGES TO ANYTHING ELSE, EXCEPT FOR 1 HOUR HE CHARGED TO GEOPROCESSING WHEN HE HAD TO ORDER SOMETHING FOR THAT PROJECT.

(b)(6), (b)(7)(C) STATED HE RECEIVES MONTHLY TIMED SHEETS PREPARED BY (b)(6), (b)(7)(C) BUT THAT HE DOESN'T CARE WHAT IS ON THEM SINCE HE CHARGES EXACTLY WHAT HE WORKS.

(b)(6), (b)(7)(C) STATED HE DID CHANGE ONE HOUR DURING WHICH HE TALKED TO AN ATTORNEY ABOUT THIS INTERVIEW FROM ONE TASK TO ANOTHER.

(b)(6), (b)(7)(C) STATED HE ATTENDED ETHICS TRAINING PROVIDED BY HIS COMPANY ON 03JUL95.

(b)(6), (b)(7)(C) STATED THE PROGRAM MANAGER OF THIS CONTRACT IS (b)(6), (b)(7)(C) AND (b)(6), (b)(7)(C) IS (b)(6), (b)(7)(C) SUPERIOR.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE TYPED: 08AUG95

WARNING (EXHIBIT 16)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: INTERVIEW OF (b)(6), (b)(7)(C)

ON 03AUG95, (b)(6), (b)(7)(C) WAS INTERVIEWED AT NISE EAST, SUMMIT BUILDING, NORTH CHARLESTON, SC. PRESENT DURING THE INTERVIEW, AT (b)(6), (b)(7)(C) REQUEST, WAS (b)(6), (b)(7)(C) ATTORNEY. (b)(6), (b)(7)(C) WAS HIRED BY BOOZ-ALLEN & HAMILTON TO BE PRESENT DURING THE INTERVIEW AT THE EMPLOYEE'S REQUEST. (b)(6), (b)(7)(C) STATED HE IS A PROJECT ANALYST WITH BOOZ-ALLEN & HAMILTON AND WAS HIRED ON 04MAR94 BY (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) STATED HE PREPARED A RESUME IN NOV94 AND THAT ALL THE INFORMATION IN HIS RESUME WAS ACCURATE. (b)(6), (b)(7)(C) STATED HE WAS AWARE OF THE KEY PERSONNEL QUALIFICATION REQUIREMENTS OF THE CONTRACT HE WAS WORKING ON FOR NISE EAST AND BELIEVES HE IS QUALIFIED FOR HIS POSITION. (b)(6), (b)(7)(C) STATED HE EARNS \$28,600 PER YEAR. (b)(6), (b)(7)(C) ADDED HE IS NOT AWARE OF ANY ONE HE WORKS WITH NOT BEING QUALIFIED FOR THEIR POSITION.

(b)(6), (b)(7)(C) STATED HE WORKS ON VIDS, IDPS AND BESSUPS AND WORKS A 44 HOUR WEEK. (b)(6), (b)(7)(C) STATED HE ALWAYS CHARGES TO THE TASK HE WORKS ON BUT DURING HIS FIRST FEW MONTHS OF EMPLOYMENT HAD SOME MIX UPS AND MAY HAVE CHARGED INCORRECTLY. HE ADDED THAT SOME TIME AGO HE CHARGED ONE DAYS WORTH OF WORK TO THE WRONG TASK AND WAS TOLD BY (b)(6), (b)(7)(C) TO CHANGE HIS HOURS TO THE CORRECT TASK.

(b)(6), (b)(7)(C) STATED HE RECEIVES MONTHLY PLANNED TIME SHEETS FROM (b)(6), (b)(7)(C) AND IF HE DOES NOT WORK ACCORDING TO THE PLANNED TIME HE INFORMS (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) STATED HE HAS INITIALED CHANGES TO HIS TIME CARD BUT THEY WERE CLERICAL ERRORS.

(b)(6), (b)(7)(C) STATED (b)(6), (b)(7)(C) WAS HIRED AS A CONSULTANT BUT IS NOW AN EMPLOYEE OF BOOZ-ALLEN & HAMILTON.

(b)(6), (b)(7)(C) STATED WITHIN THE FIRST THREE MONTHS OF HIS EMPLOYMENT HE ATTENDED ETHICS TRAINING PROVIDED BY HIS COMPANY.

(b)(6), (b)(7)(C) STATED HE THOUGHT (b)(6), (b)(7)(C) WAS THE OFFICE MANAGER AND (b)(6), (b)(7)(C) WAS THE PROGRAM MANAGER.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE TYPED: 08AUG95

WARNING EXHIBIT (17)

050295L

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

25MAY95

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/05CS/CHARLESTON, SC (b)(6), (b)(7)(C) SPECIAL AGENT

CASE SUMMARY

1. INVESTIGATION WAS INITIATED FOLLOWING THE RECEIPT OF INFORMATION FROM (b)(6), (b)(7)(C), A FORMER EMPLOYEE OF C/BOOZ, ALLEN & HAMILTON, THAT UNQUALIFIED PERSONNEL WERE WORKING ON A GOVERNMENT CONTRACT AT NISE EAST CHARLESTON. (b)(6), (b)(7)(C) A FORMER LOGISTICIAN, WORKED ON CONTRACT NO0612-91-D-8001 FROM DEC92 UNTIL JAN94. (b)(6), (b)(7)(C) STATED THAT MANY EMPLOYEES WORKING ON THIS CONTRACT, INCLUDING PROGRAM ANALYSTS, WERE NOT QUALIFIED FOR THEIR POSITIONS AS DESCRIBED IN THE KEY PERSONNEL QUALIFICATION REQUIREMENTS. (b)(6), (b)(7)(C) ADDED THAT THE PROGRAM MANAGER HIMSELF IS NOT QUALIFIED. RESULTS OF INTERVIEW WITH (b)(6), (b)(7)(C) IS EXHIBIT (1).

2. CONTRACT FILE REVIEW INDICATED CONTRACT NO0612-91-D-8001 IS A COST PLUS FIXED FEE DELIVERY ORDER CONTRACT FOR "ENGINEERING, PLANNING AND MANAGEMENT SUPPORT FOR AIR TRAFFIC CONTROL, NAALS SYSTEMS AND OTHER TECHNOLOGIES." IT WAS AWARDED IN 1991 AND IS CURRENTLY IN ITS FOURTH OF FOUR OPTION YEARS AND HAS A TOTAL VALUE OF \$13,392,032.00. AN ADDITIONAL YEAR MAY ALSO ADDED TO THE CONTRACT WHILE A FOLLOW-ON CONTRACT IS PREPARED FOR FUTURE AWARD.

3. ON 05MAY94, (b)(6), (b)(7)(C) THE CONTRACT OFFICER'S TECHNICAL REPRESENTATIVE (COTR) WAS CONTACTED AND ADVISED THAT THE CONTRACTOR IS EXPECTED TO ADHERE TO THE CONTRACT'S KEY PERSONNEL QUALIFICATION REQUIREMENTS. (b)(6), (b)(7)(C) ADDED THAT THE CONTRACTOR WAS SUPPOSED TO PROVIDE HIM RESUMES OF ALL KEY PERSONNEL FOR APPROVAL BUT, TO DATE, HAD NOT. (b)(6), (b)(7)(C) ADVISED HE WOULD REQUEST RESUMES FROM THE PROGRAM MANAGER.

4. (b)(6), (b)(7)(C) CONTACTED REPORTING AGENT ON 03JUN94 AND ADVISED RESUMES WOULD SOON BE PROVIDED BY THE PROGRAM MANAGER BUT SEVERAL DISCREPANCIES SHOULD BE NOTED BY REPORTING AGENT PRIOR TO REVIEW. RE-CONTACT WITH (b)(6), (b)(7)(C) IS EXHIBIT (2).

5. ON 07JUN94, (b)(6), (b)(7)(C) PROVIDED RESUMES TO REPORTING AGENT WHICH SUGGESTS KEY PERSONNEL WERE HIRED WITHOUT THE REQUIRED MINIMUM QUALIFICATIONS. ALSO, (b)(6), (b)(7)(C) KNOWN TO (b)(6), (b)(7)(C) AS THE PROGRAM MANAGER, CHANGED HIS JOB TITLE FROM "PROGRAM MANAGER" TO "SYSTEMS ENGINEER" APPARENTLY BECAUSE HE DID NOT SUIT THE MINIMUM QUALIFICATION FOR THE POSITION OF PROGRAM MANAGER. THE RESUMES ARE INCLUDED IN EXHIBIT (3).

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C BOOZ, ALLEN & HAMILTON
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

6. ON 10 JUN 94, [REDACTED] (b)(7)(D)

[REDACTED] (b)(7)(D)

[REDACTED] (b)(7)(D)

EXHIBITS (7) AND (8).

7. CONTACT WITH [REDACTED] (b)(6), (b)(7)(C) CONTRACT ADMINISTRATION, FISC CHARLESTON AND [REDACTED] (b)(6), (b)(7)(C), ORDERING OFFICER, NISE EAST CHARLESTON INDICATED THIS CONTRACT WAS AWARDED BY FISC CHARLESTON BUT DELIVERY ORDERS ARE AWARDED BY NISE EAST. ALSO, THE COGNIZANT DCAA OFFICE IS LOCATED IN THE BOOZ ALLEN & HAMILTON OFFICE LOCATED IN MCCLEAN, VA.

[REDACTED] (b)(7)(D)

[REDACTED] (b)(7)(D)

RESULTS OF INTERVIEW WITH [REDACTED] (b)(7)(D) IS EXHIBIT (9).

9. ON 21 OCT 94, MARY GORDON BAKER, ASSISTANT U. S. ATTORNEY, CHARLESTON WAS BRIEFED ON THIS INVESTIGATION.

[REDACTED] (b)(7)(D)

11. ON 14 FEB 95, [REDACTED] (b)(6), (b)(7)(C) SUPERVISOR, DEFENSE CONTRACT AUDIT AGENCY (DCAA) "BOOZ-ALLEN & HAMILTON SUBOFFICE" WAS TELEPHONICALLY CONTACTED REGARDING THIS INVESTIGATION. [REDACTED] (b)(6), (b)(7)(C) REQUESTED AND WAS SENT DOCUMENTATION PROVIDED BY [REDACTED] (b)(7)(D)

12. ON 24 FEB 95, DELIVERY ORDERS GENERATED FROM CONTRACT NOO612-91-D-8001 WERE REVIEWED AND DISCUSSED WITH [REDACTED] (b)(6), (b)(7)(C) ORDERING OFFICER NISE EAST. [REDACTED] (b)(6), (b)(7)(C) ADVISED THERE HAVE BEEN A TOTAL OF 130 DELIVERY ORDERS ISSUED AGAINST THIS CONTRACT. A SAMPLING OF DELIVERY ORDERS WERE COPIED BY REPORTING AGENT WITH THE ASSISTANCE OF [REDACTED] (b)(6), (b)(7)(C) PARALEGAL, COUNSEL'S OFFICE, NISE EAST.

13. ON 24 FEB 95, [REDACTED] (b)(6), (b)(7)(C) CONTACTED REPORTING AGENT AND ADVISED THAT A FLOOR CHECK OF TIME CARDS AT C/BOOZ, ALLEN & HAMILTON CHARLESTON OFFICE WOULD BE CONDUCTED BY DCAA IN LIGHT OF ALLEGATIONS MADE BY [REDACTED] (b)(7)(D) ON 01 MAR 95, [REDACTED] (b)(6), (b)(7)(C) ADVISED THE FLOOR CHECK WOULD BE CONDUCTED BY THE DCAA CHARLESTON OFFICE.

14. 02 MAR 94, [REDACTED] (b)(6), (b)(7)(C) WAS CONTACTED AND CONCURRED A FLOOR CHECK/AUDIT BY DCAA SHOULD BE CONDUCTED.

15. ON 21 MAR 95, [REDACTED] (b)(6), (b)(7)(C) ADVISED A FLOOR CHECK WAS CONDUCTED WARNING

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25MAY95

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE
C/BOOZ, ALLEN & HAMILTON INC

THE CHARLESTON OFFICE OF DCAA. RESULTS WERE UNKNOWN.

16. ON 23MAR95,

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) FORMER, COMPUTER SYSTEMS ANALYST, C/BOOZ ALLEN & HAMILTON WERE INTERVIEWED AT NISE EAST.

(b)(6), (b)(7)(C)

STATED THAT THEY WERE PROVIDED PLANNED TIME SHEET BY (b)(6), (b)(7)(C) AND SOMETIMES WORKED ON ONE DELIVERY ORDER BUT CHARGED THEIR TIME TO ANOTHER OR CHANGED THEIR TIME FROM ONE TO ANOTHER. RESULTS OF INTERVIEW WITH (b)(6), (b)(7)(C) IS EXHIBIT (10) AND RESULTS OF INTERVIEW WITH (b)(6), (b)(7)(C) IS EXHIBIT (11).

17. ON 05APR95,

(b)(6), (b)(7)(C)

ADVISED A FLOOR CHECK OF TIME CARDS AT THE CHARLESTON OFFICE OF C/BOOZ, ALLEN & HAMILTON REVEALED NO DISCREPANCIES, HOWEVER, WAS LIMITED BY DOCUMENTS AVAILABLE AT THE CHARLESTON OFFICE FOR ONLY THE PREVIOUS SIX MONTHS. (b)(6), (b)(7)(C) ADVISED A FORMAL REQUEST FOR A MORE THOROUGH AUDIT SHOULD BE SENT TO THE MID-ATLANTIC REGION OF DCAA, LOCATED IN PHILADELPHIA, PA.

(b)(6), (b)(7)(C)

ADDED SINCE DISCLOSURE HAS BEEN MADE TO THE CORPORATE OFFICES OF C/BOOZ, ALLEN & HAMILTON, VOLUNTARY COMPLIANCE WOULD BE REQUESTED AND CIVIL REMEDIES WOULD BE PURSUED.

18.

(b)(6), (b)(7)(C)

WAS CONTACTED 11APR95 AND AGREED CIVIL REMEDIES WERE APPROPRIATE IN THIS CASE.

19. A REQUEST FOR AUDIT ASSISTANCE WAS FORWARDED TO THE MID-ATLANTIC REGION OF DCAA ON 12APR95.

20. (b)(6), (b)(7)(C) DCAA, MID-ATLANTIC OFFICE CONTACTED REPORTING AGENT ON 19APR95 AND ADVISED HE WOULD FORWARD THE REQUEST TO THE ROSSLYN BRANCH OF DCAA IN SPRINGFIELD, VA.

21. 15MAY95, (b)(6), (b)(7)(C) BRANCH MANAGER, ROSSLYN BRANCH, DCAA CONTACTED REPORTING AGENT TO ADVISE AN AUDIT OF CONTRACT N00612-91-D-8001 WAS ONGOING.

22. INVESTIGATION IS PENDING AUDIT BY DCAA AND ADDITIONAL INTERVIEWS. INTERIM REPORT PREPARED TO DOCUMENT INVESTIGATIVE EFFORT TO DATE.

EXHIBITS

- (1) IA: INTERVIEW OF (b)(6), (b)(7)(C) 22APR94...(COPY ALL)
- (2) IA: RE-CONTACT WITH (b)(6), (b)(7)(C) 03JUN94...(COPY ALL)
- (3) IA: REVIEW OF RESUMES/07JUN94...(COPY ALL)
- (4) MEMO FROM (b)(6), (b)(7)(C) /18FEB94...(COPY ALL)
- (5) BOOZ-ALLEN ORGANIZATIONAL CHART/18MAR94...(COPY ALL)
- (6) MEMO FROM (b)(6), (b)(7)(C) 14JUL92...(COPY ALL)
- (7) MEMO FROM (b)(6), (b)(7)(C) 28APR94...(COPY ALL)
- (8) MAY PLANNED TIME/02MAY94...(COPY ALL)
- (9) IA: CONTACT WITH (b)(7)(D) 19OCT94...(COPY ALL)
- (10) MEMO FROM (b)(6), (b)(7)(C) /01FEB93...(COPY ALL)
- (11) IA: INTERVIEW OF (b)(6), (b)(7)(C) /23MAR95...(COPY ALL)
- (12) IA: INTERVIEW OF (b)(6), (b)(7)(C) MAR95...(COPY ALL)

WARNING

07 MAY 95 0800Z
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

25MAY95

C/BOOZ, ALLEN & HAMILTON INC

DISTRIBUTION

NCISHQ: 0023 (M) ✓
INFO: COMMAND (M) ✓ / FISC CHARLESTON (M) ✓ / DCAA MID-ATLANTIC REGION
✓ (M) / DCAA ROSSLYN BRANCH (M) ✓ / NISE EAST CODE OAB (M) ✓ / NISE
EAST CODE 11 (M) ✓

(b)(6), (b)(7)(C)

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FOR OFFICIAL USE ONLY

PAGE 13-1073-000698 (b)(6), (b)(7)(C)

U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ, ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: INTERVIEW OF (b)(6), (b)(7)(C)

ON 29APR94, (b)(6), (b)(7)(C) CIVILIAN, WAS INTERVIEWED AT NCISFO CHARLESTON. (b)(6), (b)(7)(C) WAS A LOGISTICIAN WITH BOOZ, ALLEN & HAMILTON FROM DEC92-JAN94. (b)(6), (b)(7)(C) STATED HE WAS HIRED IN WASHINGTON D.C. AND SENT TO CHARLESTON TO WORK ON A CONTRACT FOR NISE EAST. (b)(6), (b)(7)(C) STATED HE WAS HIRED BY (b)(6), (b)(7)(C) WHO IS NOW THE PROJECT MANAGER OF THE NISE EAST CONTRACT FOR ENGINEERING SUPPORT SERVICES, DESIGN AND DEVELOPMENT. (b)(6), (b)(7)(C) STATED THIS WAS A ONE YEAR PLUS FOUR OPTION YEARS, DELIVERY ORDER, COST PLUS FIXED FEE CONTRACT WORTH SEVERAL MILLION DOLLARS. HE ADDED HE BELIEVED THE CONTRACT WAS IN ITS THIRD OPTION YEAR AND WAS TO BE RE-COMPETED THIS YEAR. (b)(6), (b)(7)(C) STATED HE WAS LAID OFF THIS YEAR BECAUSE HIS SERVICES WERE NO LONGER NEEDED AND AS FAR AS HE KNEW THERE WAS NO PROBLEM WITH HIS WORK PERFORMANCE.

(b)(6), (b)(7)(C) ADVISED THE REASON HE WANTED TO SPEAK TO NCIS WAS THAT HE BELIEVED UNQUALIFIED PEOPLE WERE WORKING ON THE NISE EAST CONTRACT. HE STATED THAT WHEN (b)(6), (b)(7)(C) TOOK OVER FROM (b)(6), (b)(7)(C) AS PROJECT MANAGER SOMETIME IN LATE 92 OR EARLY 93 HE HIRED PERSONNEL FOR OTHER POSITIONS WHO WERE NOT QUALIFIED ACCORDING TO THE CONTRACT REQUIREMENTS. (b)(6), (b)(7)(C) ADDED THAT (b)(6), (b)(7)(C) HIMSELF IS TOO YOUNG TO QUALIFY FOR THE POSITION OF PROJECT MANAGER. (b)(6), (b)(7)(C) STATED (b)(6), (b)(7)(C) HIRED (b)(6), (b)(7)(C) AS PROJECT ANALYSTS AND HE BELIEVED THAT THEY DID NOT SUIT THE QUALIFICATIONS REQUIRED BY THE CONTRACT. (b)(6), (b)(7)(C) FOR INSTANCE, HAS A SPANISH DEGREE BUT REPLACED (b)(6), (b)(7)(C) WHO HAS A MASTERS DEGREE IN COMPUTER SCIENCE AND VARIOUS TECHNICAL CERTIFICATIONS, AS (b)(6), (b)(7)(C) DID NOT BELIEVE THAT THESE EMPLOYEES HAD THE EDUCATION OR EXPERIENCE REQUIRED FOR THEIR POSITIONS. (b)(6), (b)(7)(C) WAS NOT SURE IF THEY WERE BEING PAID ACCORDING TO SET GOVERNMENT WAGES OR IF THEY WERE BEING PAID LESS. HE STATED THAT (b)(6), (b)(7)(C) SIGNS ALL TIME SHEET CERTIFICATIONS. (b)(6), (b)(7)(C) ADDED THERE WERE ABOUT FIFTEEN EMPLOYEES WORKING ON THIS CONTRACT IN THE CHARLESTON OFFICE.

(b)(6), (b)(7)(C) WAS AWARE OF AN 18FEB94 MEMO FROM (b)(6), (b)(7)(C) THE GOVERNMENT COTR, TO (b)(6), (b)(7)(C) DEMANDING RESUMES FROM KEY PERSONNEL. (b)(6), (b)(7)(C) STATED THAT AS FAR AS HE KNEW NO RESUMES HAVE EVER BEEN PROVIDED TO THE GOVERNMENT ALTHOUGH THIS IS ALSO A CONTRACT REQUIREMENT.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

WARNING EXHIBIT (/)

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U.S. NAVAL INVESTIGATIVE SERVICE

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON
DATE TYPED: 05MAY94

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ, ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: RE-CONTACT WITH (b)(6), (b)(7)(C)

ON 03JUN94, (b)(6), (b)(7)(C) WAS RE-CONTACTED AND ADVISED THE FOLLOWING SHOULD BE NOTED PRIOR TO REVIEWING RESUMES WHICH WILL BE PROVIDED BY BOOZ ALLEN & HAMILTON TO THE GOVERNMENT:

RESUMES FOR (b)(6), (b)(7)(C) ADMIN/CLERICAL AND (b)(6), (b)(7)(C) PRODUCTION ANALYST HAVE BEEN PULLED.

(b)(6), (b)(7)(C) HAS CHANGED HIS TITLE FROM PROGRAM MANAGER TO SYSTEMS ENGINEER.

(b)(6), (b)(7)(C) BOSS IS NOW NAMED AS THE PROGRAM MANAGER.
(b)(6), (b)(7)(C) ADVISED (b)(6), (b)(7)(C) IS ALSO NOT QUALIFIED FOR THIS POSITION.)

(b)(6), (b)(7)(C) FURTHER ADVISED 16 RESUMES APPLY TO CHARLESTON EMPLOYEES WHILE 27 APPLY TO MCCLEAN, VA EMPLOYEES.

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE TYPED: 03JUN94

WARNING

EXHIBIT (2)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ, ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: REVIEW OF PERSONNEL RESUMES

ON 07JUN94, (b)(6), (b)(7)(C) CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR), NISE EAST, CONTRACT N00612-91-D-8001, PROVIDED COPIES OF 40 RESUMES PROVIDED TO HIM BY (b)(6), (b)(7)(C) OF BOOZ, ALLEN & HAMILTON, FOR ALL STAFF CHARGING TO THIS CONTRACT. (b)(6), (b)(7)(C) NOTED THAT (b)(6), (b)(7)(C) KNOWN AS THE PROGRAM MANAGER, WAS NOW LISTED AS A SYSTEMS ENGINEER. SEVERAL RESUMES WERE REVIEWED IN (b)(6), (b)(7)(C)'S PRESENCE AND IT WAS NOTED THAT REQUIRED EXPERIENCE FOR SOME EMPLOYEES SEEM TO HAVE BEEN GAINED WHILE THESE EMPLOYEES WERE WORKING ON THIS CONTRACT.

FURTHER REVIEW REVEALED THE FOLLOWING:

ALTHOUGH (b)(6), (b)(7)(C) IS NOW LISTED AS A SYSTEMS ENGINEER, IT IS QUESTIONABLE THAT HE HAD THE TEN YEARS EXPERIENCE REQUIRED FOR THIS POSITION.

SOME EMPLOYEES DO NOT APPEAR TO HAVE HAD THE EXPERIENCE REQUIRED BEFORE THEY BEGAN WORKING ON THIS CONTRACT.

SOME EMPLOYEES DO NOT HAVE THE DEGREE REQUIRED FOR THEIR POSITIONS.

TECHNICAL ASSISTANTS APPEAR TO BE QUALIFIED FOR THEIR POSITIONS.

(b)(6), (b)(7)(C) PREVIOUSLY IDENTIFIED AS PROJECT ANALYSTS, ARE NOW LISTED AS TECHNICAL ASSISTANTS.

THERE ARE NO RESUMES FOR (b)(6), (b)(7)(C) (TECHNICAL ASSISTANT) OR (b)(6), (b)(7)(C) (PROJECT ANALYST).

(b)(6), (b)(7)(C) PROJECT ANALYST, DOES NOT HAVE THE DEGREE OR EXPERIENCE FOR HER POSITION.

(b)(6), (b)(7)(C) NOW LISTED AS PROGRAM MANAGER, DOES NOT LIST DATES IN HIS RESUME SO IT IS DIFFICULT TO ASCERTAIN WHETHER HE IS QUALIFIED FOR THIS POSITION.

ENCLOSURE (1) INCLUDES ALL RESUMES PROVIDED BY (b)(6), (b)(7)(C)

ENCLOSURE

(1) COVER LETTER AND RESUMES/BOOZ ALLEN & HAMILTON

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE TYPED: 07JUN94

WARNING

EXHIBIT (3)

Pages 104 through 155 redacted for the following reasons:

-----Pages (104) - (155), Enclosure (1): Referred to the Space and Naval Warfare Systems Command, Freedom of Information Act Office (Code 3.5), 4301 Pacific Highway, OT-4, San Diego 92110-3127

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Pages 157 through 175 redacted for the following reasons:

(b)(7)(D), Pages (157) - (175), Exhibits (4) - (8)

U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ, ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: CONTACT WITH (b)(7)(D)

(b)(7)(D)

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EXHIBIT (9)

U.S. NAVAL INVESTIGATIVE SERVICE

TIME.

REPORTING AGENT:

(b)(6), (b)(7)(C)

OFFICE: NCISFO CHARLESTON, SC

DATE TYPED: 20OCT94

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Pages 178 through 210 redacted for the following reasons:

Pages (178) - (210), Exhibit (10): Write to Booz, Allen & Hamilton, 8283 Greensboro Drive, McLean, Virginia 22102

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ, ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: INTERVIEW OF (b)(6), (b)(7)(C)

ON 23MAR95, (b)(6), (b)(7)(C) BOOZ, ALLEN & HAMILTON, CHARLESTON OFFICE WAS INTERVIEWED AT NISE EAST, SUMMIT BUILDING, CHARLESTON, SC. (b)(6), (b)(7)(C) USN AND WAS HIRED AT BOOZ, ALLEN & HAMILTON ON 31AUG90 BY (b)(6), (b)(7)(C) A PROGRAM MANAGER. (b)(6), (b)(7)(C) IS CURRENTLY WORKING ON CONTRACT N00612-91-D-8001. (b)(6), (b)(7)(C) STATED THE PROGRAM MANAGER OF THIS CONTRACT IS (b)(6), (b)(7)(C) SUPERVISOR IS (b)(6), (b)(7)(C) WHO IS A COMPANY VICE PRESIDENT LOCATED IN WASHINGTON D.C.

(b)(6), (b)(7)(C) REVIEWED A RESUME PROVIDED TO NISE EAST COTR. (b)(6), (b)(7)(C) IN MAY94 IN ACCORDANCE CONTRACT REQUIREMENTS. (b)(6), (b)(7)(C) STATED THAT THE RESUME WAS NOT PREPARED BY HIM BUT RATHER FROM A DRAFT HE PREPARED AND THE FINAL COPY WAS PROBABLY TYPED AT THE DIRECTION OF (b)(6), (b)(7)(C) BY HIS TECHNICAL ASSISTANTS (b)(6), (b)(7)(C) OR (b)(6), (b)(7)(C) STATED THAT HE WAS PROVIDED A FORMAT TO FOLLOW AND A COPY OF THE CONTRACT REQUIREMENTS FOR HIS POSTION BY (b)(6), (b)(7)(C) BEFORE HE PREPARED HIS DRAFT. (b)(6), (b)(7)(C) STATED HE DID NOT REALLY LOOK AT THE REQUIREMENTS SINCE HE KNEW HE QUALIFIED FOR HIS POSITION. (b)(6), (b)(7)(C) STATED ALL THE INFORMATION INCLUDED IN HIS RESUME WAS ACCURATE EXCEPT THAT HE RECEIVED HIS BACHELOR OF SCIENCE DEGREE IN ENGINEERING SCIENCE VICE ELECTRICAL ENGINEERING. (b)(6), (b)(7)(C) STATED THAT HE MADE ABOUT \$70,000.00 PER YEAR.

(b)(6), (b)(7)(C) WAS ASKED IF HE THOUGHT ANY ONE WORKING ON THIS CONTRACT WAS NOT QUALIFIED FOR THEIR POSITION. HE REPLIED THAT THERE MAY BE SOME GRAY AREAS WHERE SOMEONE DID NOT HAVE THE EDUCATION REQUIRED FOR THE JOB BUT WOULD HAVE HAD THE EXPERIENCE. HE ADDED THAT IN SOME CASES DUE TO PRESSURE BY THE CUSTOMER (NISE EAST) TO HAVE SOMEONE WORKING ON A PROJECT AN INDIVIDUAL MAY HAVE BEEN HIRED WITHOUT THE PROPER QUALIFICATIONS IN ORDER TO COMPLETE A PROJECT.

(b)(6), (b)(7)(C) STATED HE HAS NEVER WORKED ON ONE PROJECT AND CHARGED HIS TIME TO ANOTHER. HE STATED THAT (b)(6), (b)(7)(C) PROVIDED ALL EMPLOYEES WITH MONTHLY PLANNED TIME SCHEDULES AND THEY WERE SUPPOSED TO CHARGE THEIR TIME ACCORDING TO THE SCHEDULE. (b)(6), (b)(7)(C) STATED HE HAS A PLANNED TIME SCHEDULE FOR THIS MONTH AT HIS DESK NOW AND THAT HE KEEPS ALL HIS MONTHY PLANNED TIMES SCHEDULES. (b)(6), (b)(7)(C) STATED HE WORKS ON DIFFERENT PROJECTS AND IF A PROJECT IS REACHING ITS FUNDING LIMIT HE GETS A CUT OFF NOTICE FROM (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) STATED HE HAS INITIALED CHANGES ON HIS TIME CARD WHEN HE MADE A MISTAKE. HE ADDED THAT HE HAS ALSO SUBMITTED TIME ADJUSTMENT SHEETS WHEN A PROJECT RAN OUT OF MONEY AND HE HAD TO END UP CHARGING HIS TIME TO ANOTHER PROJECT. (b)(6), (b)(7)(C) ADDED THAT SOME OF THE WORK HE DID COULD APPLY TO VARIOUS PROJECTS.

(b)(6), (b)(7)(C) STATED HE HAS ATTENDED TRAINING PROVIDED BY HIS COMPANY REGARDING THE PROPER CHARGING OF TIME.

WARNING EXHIBIT (//)

U.S. NAVAL INVESTIGATIVE SERVICE

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT:

(b)(6), (b)(7)(C)

OFFICE: NCISFO CHARLESTON, SC

DATE TYPED: 24MAR95

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ, ALLEN & HAMILTON INC
CCN: 05MAY94-05CS-0153-4GNA

INVESTIGATIVE ACTION: INTERVIEW OF (b)(6), (b)(7)(C)

ON 23MAR95, (b)(6), (b)(7)(C) FORMER COMPUTER SYSTEMS ANALYST, BOOZ, ALLEN & HAMILTON WAS INTERVIEWED AT NISE EAST, SUMMIT BUILDING, CHARLESTON, SC. (b)(6), (b)(7)(C) WORKED FOR BOOZ, ALLEN & HAMILTON FROM JUN88-DEC94. (b)(6), (b)(7)(C) STATED SHE WAS HIRED BY (b)(6), (b)(7)(C) AND WORKED ON CONTRACT N00612-91-D-8001. (b)(6), (b)(7)(C) STATED SHE PREPARED THE RESUME WHICH WAS SUBMITTED TO NISE EAST IN MAY94. (b)(6), (b)(7)(C) ADDED THAT THE EMPLOYEES RECEIVED A LETTER FROM (b)(6), (b)(7)(C) THE PROGRAM MANAGER, THAT TOLD THEM THEY SHOULD MATCH THEIR QUALIFICATIONS TO THAT REQUIRED IN THE CONTRACT FOR THEIR POSITION. (b)(6), (b)(7)(C) SAID SHE WAS MAKING ABOUT \$47,000.00 A YEAR WHEN SHE LEFT THE COMPANY.

(b)(6), (b)(7)(C) STATED SHE DID NOT THINK THAT EVERYONE WORKING ON THIS CONTRACT WAS QUALIFIED ACCORDING TO THE REQUIREMENTS OF THE CONTRACT. IN PARTICULAR, SHE STATED SOME OF THE PROJECT ANALYSTS MAY NOT BE QUALIFIED FOR THEIR POSITION.

(b)(6), (b)(7)(C) STATED SHE HAS WORKED ON ONE PROJECT BUT CHARGED HER TIME TO ANOTHER PROJECT. (b)(6), (b)(7)(C) STATED THAT (b)(6), (b)(7)(C) PROVIDED EVERY EMPLOYEE WITH A MONTHLY PLANNED TIME SHEET AND EVERYONE WAS SUPPOSED TO CHARGE THEIR TIME ACCORDING TO THE PLANNED TIME.

(b)(6), (b)(7)(C) STATED MOST OF THE EMPLOYEES HAD THE PLANNED TIME SHEET AT THEIR DESKS. (b)(6), (b)(7)(C) STATED SHE HAS INITIALED CHANGES ON HER TIME CARD AND FILLED OUT TIME INPUT ADJUSTMENT SHEETS WHEN (b)(6), (b)(7)(C) TOLD HER SHE HAD TO CHANGE HER TIME FROM A PROJECT WITH NO MONEY TO A PROJECT WHICH HAD MONEY LEFT.

(b)(6), (b)(7)(C) STATED SHE HAS ATTENDED COMPANY TRAINING WHICH SPECIFICALLY PROHIBITS THE KIND OF MISCHARGING (b)(6), (b)(7)(C) HAD HER DO.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NCISFO CHARLESTON, SC
DATE TYPED: 23MAR95

WARNING

EXHIBIT (12)

U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

01NOV94

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/CSCS/CHARLESTON, SC

(b)(6), (b)(7)(C)

SPECIAL AGENT

CASE SUMMARY

(b)(7)(D)

ADDITIONAL INFORMATION FROM (b)(7)(D) IS ANTICIPATED.

2. MARY GORDON BAKER, ASSISTANT U. S. ATTORNEY, U. S. ATTORNEY'S OFFICE (USAO) CHARLESTON AND (b)(6), (b)(7)(C) OGC, NISE EAST WERE BRIEFED ON THIS INVESTIGATION. INVESTIGATION IS PENDING. ADDITIONAL CONTACT WITH (b)(7)(D) USAO CHARLESTON AND NISE EAST.

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NCISHQ: 0023

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PAGE 1 LAST (b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE
INVESTIGATIVE SUMMARY REPORT (PENDING)

27JUL94

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/05CS/CHARLESTON, SC (b)(6), (b)(7)(C) SPECIAL AGENT

CASE SUMMARY

1. INVESTIGATION WAS INITIATED FOLLOWING THE RECEIPT OF INFORMATION FROM (b)(6), (b)(7)(C) A FORMER EMPLOYEE OF C/BOOZ, ALLEN & HAMILTON THAT QUALIFIED PERSONNEL ARE NOT BEING PROVIDED ON A GOVERNMENT PROJECT AT NISE EAST CHARLESTON. (b)(6), (b)(7)(C) WAS A LOGISTICIAN WITH C/BOOZ, ALLEN & HAMILTON FROM DEC92 UNTIL JAN94 AND WORKED ON CONTRACT N00612-91-D-8001 AT NISE EAST CHARLESTON. (b)(6), (b)(7)(C) ALLEGED THAT MANY OF THE EMPLOYEES WORKING ON THIS CONTRACT, TO INCLUDE PROJECT PROGRAM ANALYSTS, DO NOT MEET MINIMUM REQUIREMENTS AS DESCRIBED IN THE KEY PERSONNEL QUALIFICATION REQUIREMENTS OF THE CONTRACT. (b)(6), (b)(7)(C) ADDED THAT THE PROGRAM MANAGER HIMSELF, (b)(6), (b)(7)(C) IS TOO YOUNG TO MEET THE MINIMUM QUALIFICATION FOR HIS POSITION.

2. A REVIEW OF THE CONTRACT FILE INDICATED THIS IS A COST PLUS FIXED FEE DELIVERY ORDER CONTRACT FOR THE "ENGINEERING, PLANNING AND MANAGEMENT SUPPORT FOR AIR TRAFFIC CONTROL, NAALS SYSTEMS AND OTHER TECHNOLOGIES." IT WAS AWARDED IN 1991 AND IS CURRENTLY IN ITS THIRD OF FOUR OPTION YEARS AND HAS A TOTAL VALUE OF \$11,000,000.00. PAYMENT IS MADE AFTER CERTIFIED INVOICES ARE PROVIDED TO THE GOVERNMENT WHICH REFLECT MAN HOURS EXPENDED. THE CONTRACTOR IS PAID THE HOURLY RATES AS SET BY CURRENT WAGE STANDARDS.

3. (b)(6), (b)(7)(C) CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR), WAS CONTACTED ON 05MAY94 AND STATED THAT A CERTAIN AMOUNT OF EXPERTISE IS NECESSARY TO ADEQUATELY PERFORM THIS CONTRACT AND THEREFORE THE CONTRACTOR IS EXPECTED TO ADHERE TO THE CONTRACT'S KEY PERSONNEL QUALIFICATION REQUIREMENTS AND IS COMPENSATED ACCORDINGLY. (b)(6), (b)(7)(C) STATED THAT THE CONTRACTOR IS SUPPOSED TO PROVIDE HIM WITH RESUMES OF ALL KEY PERSONNEL FOR APPROVAL BUT, TO DATE, HAS NOT DESPITE NUMEROUS REQUESTS. (b)(6), (b)(7)(C) STATED HE WOULD AGAIN REQUEST THE PROJECT MANAGER PROVIDE THE RESUMES AS SOON AS POSSIBLE.

4. ON 07JUN94, (b)(6), (b)(7)(C) PROVIDED RESUMES TO REPORTING AGENT WHICH SUGGESTS KEY PERSONNEL WERE HIRED WITHOUT THE REQUIRED MINIMUM QUALIFICATIONS. ALSO, (b)(6), (b)(7)(C) HAS CHANGE HIS JOB TITLE FROM "PROGRAM MANAGER" TO "SYSTEMS ENGINEER/ANALYST" APPARENTLY BECAUSE HE SUITS THE MINIMUM QUALIFICATIONS FOR THAT POSITION. THE FIELD RATE OF A PROGRAM MANAGER IS \$45.38 VICE \$23.10 FOR A SYSTEMS ENGINEER. MONTHLY REPORTS WERE REVIEWED TO DETERMINE HOW

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U.S. NAVAL INVESTIGATIVE SERVICE

MUCH WAS CHARGED TO THE GOVERNMENT UNDER THE CATEGORY "PROGRAM MANAGER" SINCE (b)(6), (b)(7)(C) BECAME THE PROGRAM MANAGER IN JAN93. IT WAS DETERMINED THAT UNTIL RECENTLY THESE REPORTS DID NOT REFLECT THE EMPLOYEES NAMES, AS IS REQUIRED, BUT JUST THEIR LABOR CATEGORY WHICH MADE DETERMINATION BY (b)(6), (b)(7)(C) DIFFICULT. FURTHER REVIEW WILL BE CONDUCTED.

5. INFORMATION RECEIVED FROM A POTENTIAL INFORMANT INDICATES THAT (b)(6), (b)(7)(C) HAS DIRECTED HIS EMPLOYEES TO MAKE SURE THEY SUBMIT RESUMES TO MEET THEIR CURRENT CATEGORY. THIS POTENTIAL INFORMANT WILL BE INTERVIEWED FOR AMPLIFYING INFORMATION.

6. CONTACT WAS MADE WITH THE CONTRACTS DEPARTMENT OF NISE EAST CHARLESTON FOR ADDITIONAL REVIEW OF THIS CONTRACT. INVESTIGATION IS PENDING OTHER INTERVIEWS AND LEADS.

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (OPEN)

09MAY94

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-46NA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/05CS/CHARLESTON, SC

(b)(6), (b)(7)(C)

SPECIAL AGENT

CASE SUMMARY

1. INVESTIGATION WAS INITIATED FOLLOWING THE RECEIPT OF INFORMATION FROM A FORMER EMPLOYEE OF C/BOOZ, ALLEN & HAMILTON THAT QUALIFIED PERSONNEL ARE NOT BEING PROVIDED ON A GOVERNMENT PROJECT AT NISE-EAST CHARLESTON, SC. CONTRACT N00612-91-D-8001 IS A COST PLUS FIXED FEE, DELIVERY ORDER CONTRACT FOR "ENGINEERING, PLANNING AND MANAGEMENT SUPPORT FOR AIR TRAFFIC CONTROL, NAALS SYSTEMS AND OTHER TECHNOLOGIES." AWARDED IN 1991 WITH FOUR OPTION YEARS, THE CONTRACT HAS A TOTAL VALUE OF \$11,000,000.00 AND IS CURRENTLY IN ITS THIRD OPTION YEAR. THE FORMER EMPLOYEE ALLEGES THAT THE CURRENT PROJECT MANAGER HIRED PERSONNEL WHO DID NOT MEET MINIMUM REQUIREMENTS AS DESCRIBED IN THE KEY PERSONNEL QUALIFICATION REQUIREMENTS OF THE CONTRACT. IN FACT, THE PROJECT MANAGER HIMSELF MAY BE TOO YOUNG TO MEET THE MINIMUM QUALIFICATIONS FOR HIS POSITION. INFORMATION HAS ALSO INDICATED THAT PROJECT MANAGER DIRECTED PERSONNEL TO PREPARE RESUMES AND "MAKE SURE THEY FIT THE KEY PERSONNEL QUALIFICATION REQUIREMENT."

2. PAYMENT ON THIS COST PLUS CONTRACT IS MADE AFTER CERTIFIED INVOICES ARE PROVIDED TO THE GOVERNMENT WHICH REFLECT MAN HOURS EXPENDED. THE CONTRACTOR IS PAID THE HOURLY RATES AS SET BY CURRENT WAGE DETERMINATION AND LABOR CLASSIFICATION. CONTACT WITH NISE-EAST INDICATES THAT RESUMES FOR ALL EMPLOYEES HAVE NOT BEEN SUBMITTED TO THE CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) ALTHOUGH SUBMITTAL AND SUBSEQUENT APPROVAL OF KEY PERSONNEL BY THE COTR IS ALSO A CONTRACT REQUIREMENT. THE COTR ADVISES THAT A CERTAIN AMOUNT OF EXPERTISE IS EXPECTED AND NECESSARY TO ADEQUATELY PERFORM THIS CONTRACT AND THE CONTRACTOR IS COMPENSATED ACCORDINGLY FOR PROVIDING EXPERIENCED PERSONNEL.

3. VIOLATIONS OF 18 USC 286 AND 287, CONSPIRACY AND FALSE CLAIMS APPLY.

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(b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

13 MAY 1994

ACTION/LEAD SHEET (OPEN)

09MAY94

GENERAL PROCURMENT (II)

CONTROL: 05MAY94-05CS-0153-4GNA

C/BOOZ, ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISEEAST CHARLESTON, SC/65236

MADE AT/05CS/CHARLESTON, SC (b)(6), (b)(7)(C) SPECIAL AGENT

CASE SUMMARY

1. INVESTIGATION WAS INITIATED FOLLOWING THE RECEIPT OF INFORMATION FROM A FORMER EMPLOYEE OF C/BOOZ, ALLEN & HAMILTON THAT QUALIFIED PERSONNEL ARE NOT BEING PROVIDED ON A GOVERNMENT PROJECT AT NISE-EAST CHARLESTON, SC. CONTRACT N00612-91-D-8001 IS A COST PLUS FIXED FEE, DELIVERY ORDER CONTRACT FOR "ENGINEERING, PLANNING AND MANAGEMENT SUPPORT FOR AIR TRAFFIC CONTROL, NAALS SYSTEMS AND OTHER TECHNOLOGIES." AWARDED IN 1991 WITH FOUR OPTION YEARS, THE CONTRACT HAS A TOTAL VALUE OF \$11,000,000.00 AND IS CURRENTLY IN ITS THIRD OPTION YEAR. THE FORMER EMPLOYEE ALLEGES THAT THE CURRENT PROJECT MANAGER HIRED PERSONNEL WHO DID NOT MEET MINIMUM REQUIREMENTS AS DESCRIBED IN THE KEY PERSONNEL QUALIFICATION REQUIREMENTS OF THE CONTRACT. IN FACT, THE PROJECT MANAGER HIMSELF MAY BE TOO YOUNG TO MEET THE MINIMUM QUALIFICATIONS FOR HIS POSITION. INFORMATION HAS ALSO INDICATED THAT PROJECT MANAGER DIRECTED PERSONNEL TO PREPARE RESUMES AND "MAKE SURE THEY FIT THE KEY PERSONNEL QUALIFICATION REQUIREMENT."

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3. VIOLATIONS OF 18 USC 286 AND 287, CONSPIRACY AND FALSE CLAIMS APPLY.

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F13-1073 000218

NIS ALS/OPEN	
DCII SEARCH-NAVY RESULTS	
253884	
- NO RECORD	
- NEW DOSSIER	
- FILE PRESENTLY CHARGED TO:	

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NAVAL CRIMINAL INVESTIGATIVE SERVICES
RECORDS MANAGEMENT DIVISION
LAW ENFORCEMENT RECORDS

Name: BOOZ ALLEN AND HAMILTON INC

AKA:

Social Security Number:

Context: S

Date of Birth:

State of Birth:

Country of Birth:

Case Number: 25OCT8920FW0098

Dossier: 253804

DCII INDEX CODE:
K = 50 YEARS

RECORD SERIES #:
5580/4A(1)(B)

Date Closed:
19910110

RECORD SERIES (FILE PLAN)

Gen Mgmt, Sec & Safety Svcs - Provide Security Svcs - Law Enforcement - NCIS Criminal Investigative - Controlled Death & Sex Investigations

Criminal Investigative Reports

COMMENTS

Imaged by IMC

☐ Polygraph Examination Conducted

☐ Finger Prints Submitted to Code 24B3

☐ Sexual Offender Registry Completed

☐ Final Disposition Report to FBI

CIS - _____

☐ Closed Status ☐ Dup Title ☐ Dup CCN

Disclosure/Accountability Statement: If this investigation is disseminated outside NCIS, complete NCIS Form 009/10-80, and ensure it is retained in the case file.

I _____ certify that this document has been reviewed and is complete.

DATE

SIGNATURE

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NAVAL INVESTIGATIVE SERVICE COMMAND

RETENTION CONTROL SHEET

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SECNAVINST 3820.2A - INITIAL REVIEW		01 MAY 1991	
Date Acquired/Reviewed: _____			
Retention Decision	<input type="checkbox"/> 60	<input type="checkbox"/> 90	<input type="checkbox"/> 1 YR
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> EXEMPT XX
Date to be DESTROYED/REVIEWED: _____			
<div style="border: 1px solid black; padding: 5px;">(b)(6), (b)(7)(C)</div>		<div style="border: 1px solid black; padding: 5px;">23A</div> Code	
<u>ANNUAL REVIEW</u>			
Date Reviewed: _____	Reviewer's Signature _____		Code _____
Date Reviewed: _____	Reviewer's Signature _____		Code _____

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NSIC HQ CRIMINAL INVESTIGATIONS DIRECTORATE REVIEW SHEET

SUBJECT: c/Booz. Allen and Hamilton Inc
 CCN: 25 OCT 89 - 20FW - 0098 - 4CNA /u

XREFS:

NAME

ROI PARA

DISSEMINATION

DATE: 14 JUN 1991

OP-29

FF

212C2

RECHARGE

NMPC 115

NMPC 82

DCIS

NMPC 83

USACIDC

NSGHQ

AFOSIHQ

CMC

AFIP

NAFC WASH.

DODIG

POLYGRAPH:

REQ.

AUTH.

CANC.

MIL POSTAL SVCS AGENCY

NAVSEASYS COM - IG

NAVINGEN

NAVAIRSYSCOM - IG

NAVSUPPSYSCOM - IG

NAVFACENGCOM - IG

DEF LOGISTICS AGENCY

NAVSPA WAR - IG

NAVMEDCOM - IG

NSIC - 29

NAVCOMPT

NAVRESSO

OTHER: Copy to 23AP

(b)(6), (b)(7)(C)

4 JUN 1991

(b)(6), (b)(7)(C)

23 JAN 1991

DATE:

REVIEWER:

(b)(6), (b)(7)(C)

NOTES:

**CLOSED
IN CCS**

U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (DATA)

10JAN91

CONFLICT OF INTEREST (II)

CONTROL: 250CT89-20FW-0098-4CNA/U

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

INVESTIGATIVE DATA

- 1 = NA
- 2 = NA
- 3 = A/N
- 4 = F
- 5 = NA
- 6 = NA
- 7 = NA
- 8 = NA
- 9 = C
- 10 = B2
- 11 = NA
- 12 = NA
- 13 = D
- 14 = NA
- 15 = NA
- 16 = C
- 17 = NA
- 18 = NA
- 19 = D
- 20 = NA
- 21 = C
- 22 = NA
- 23 = F
- 24 = B
- 25 = I

✓ (b)(6), (b)(7)(C)

23 JAN 1991

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(b)(6), (b)(7)(C)

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ACTION/LEAD SHEET (DATA)

10JAN91

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/U

C/800Z-ALLEN AND HAMILTON INC
BETHESDA MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

INVESTIGATIVE DATA

1 = NA
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4 = F
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6 = NA
7 = NA
8 = NA
9 = C
10 = B2
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12 = NA
13 = D
14 = NA
15 = NA
16 = C
17 = NA
18 = NA
19 = D
20 = NA
21 = C
22 = NA
23 = F
24 = B
25 = I

(b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (CLOSED)

10JAN91

CONFLICT OF INTEREST (II)

CONTROL: 250CT89-20FW-0098-4CNA/U

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCES

- (A) NISRFU WASHINGTON ROI/02FEB90
- (B) NISRFU SAN DIEGO ISR/02APR90
- (C) NISRFU SAN DIEGO ISR/01JUN90
- (D) NISRFU SAN DIEGO ISR/31JUL90
- (E) NISRFU SAN DIEGO ISR/30AUG90
- (F) NISRFU SAN DIEGO ISR/01OCT90
- (G) NISRFU SAN DIEGO ISR/31OCT90
- (H) NISRFU SAN DIEGO ISR/26NOV90

CASE SUMMARY

1. REFERENCE (A) REPORTS INVESTIGATION WAS INITIATED AFTER THE NAVAL AUDIT SERVICE (NAS) INDICATED C/BOOZ-ALLEN AND HAMILTON, INC. (C/BOOZ-ALLEN), WAS AWARDED CONTRACT N68786-88-D-1621 (1621). A CLASSIFIED CONTRACT FOR C3I SYSTEMS ENGINEERING RESEARCH ANALYSIS, SUPPORTING THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. THE AWARD OF THE CONTRACT WAS \$11 MILLION. THE AUDIT REVEALED IRREGULARITIES INDICATING THE GOVERNMENT CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) IDENTIFIED AS (b)(6), (b)(7)(C) POSSIBLY "STACKED" THE TECHNICAL EVALUATION BOARD (TEB) AND THE COST EVALUATION BOARD (CEB) IN FAVOR OF C/BOOZ-ALLEN. (b)(6), (b)(7)(C) RETIRED FROM NOSC ON 31JAN88 AND SUBSEQUENTLY GAINED EMPLOYMENT AT C/BOOZ-ALLEN. INTERVIEWS WERE CONDUCTED OF MEMBERS OF THE TEB AND THE CEB AND THEY COULD NOT PROVIDE ANY SUBSTANTIAL INFORMATION REGARDING ANY IRREGULARITIES THEY WITNESSED DURING THE EVALUATIONS OF THE BID PROPOSALS. INTERVIEW OF THE (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) REVEALED HE WAS NEVER AWARE HE WAS ASSIGNED AS THE (b)(6), (b)(7)(C) AND HE NEVER ENDORSED ANY PAPERWORK REGARDING THE CONTRACT. INTERVIEW OF THE FORMER CONTRACTING OFFICER RELATED, BASED ON SCORES FROM THE TEB, CEB AND THE BEST AND FINAL OFFERS, THERE WERE TOO MANY INCONSISTENCIES AND HE WANTED TO DO THE WHOLE THING OVER AGAIN, BUT BASED ON TIME CONSTRAINTS HE DECIDED TO AWARD THE CONTRACT TO C/BOOZ-ALLEN SINCE THEY WERE TECHNICALLY SUPERIOR TO THE OTHER BIDDER. REVIEW OF THE CONTRACT FILE REFLECTED (b)(6), (b)(7)(C) WAS LISTED AS THE "PRINCIPAL" REPRESENTING C/BOOZ-ALLEN ON CONTRACT 1621. INTERVIEWS OF NOSC LEGAL REPRESENTATIVES INDICATED (b)(6), (b)(7)(C) INFORMED NOSC HE WAS RETIRING AND REQUESTED LEGAL ADVISE SINCE HE DESIRED TO GAIN EMPLOYMENT FROM A LIST OF PROSPECTIVE CONTRACTORS. LEGAL ADVISED (b)(6), (b)(7)(C) HE COULD ONLY GAIN EMPLOYMENT

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(b)(6), (b)(7)(C)

27 FEB 1991

C/BOOZ-ALLEN AND HAMILTON, INC

U.S. NAVAL INVESTIGATIVE SERVICE

FROM A CONTRACTOR IN A TECHNICAL VICE REPRESENTATIONAL POSITION.
INTERVIEW OF THE CURRENT COTR ADVISED HE HAS NO CONTACT WITH (b)(6), (b)(7)(C)
ON ANY NOSC CONTRACTS. EXHIBITS (1) THROUGH (19) PROVIDE DETAILS.
SINCE NO IMPROPRIETY HAS BEEN PROVEN ASSOCIATED EITHER BEFORE OR
WHILE (b)(6), (b)(7)(C) HAS BEEN EMPLOYED AT C/BOOZ-ALLEN, THIS INVESTIGATION
IS CLOSED AS UNFOUNDED.

EXHIBITS

- (1) IA: REVIEW OF PERSONNEL FILE- (b)(6), (b)(7)(C) 22FEB90... (COPY 0023 ONLY)
(2) IA: REVIEW OF PERSONNEL FILE- (b)(6), (b)(7)(C) 22FEB90... (COPY 0023 ONLY)
(3) IA: REVIEW OF PERSONNEL FILE- (b)(6), (b)(7)(C) 22FEB90... (COPY 0023 ONLY)
(4) IA: REVIEW OF PERSONNEL FILE- (b)(6), (b)(7)(C) 22FEB90... (COPY 0023 ONLY)
(5) IA: REVIEW OF PERSONNEL FILE- (b)(6), (b)(7)(C) 22FEB90... (COPY 0023 ONLY)
(6) IA: RESULTS OF INTERVIEW (b)(6), (b)(7)(C) 05JUN90... (COPY 0023 ONLY)
(7) IA: RESULTS OF INTERVIEW (b)(6), (b)(7)(C) 11JUN90... (COPY 0023 ONLY)
(8) IA: RESULTS OF INTERVIEW (b)(6), (b)(7)(C) 2JUN90... (COPY 0023 ONLY)
(9) IA: RESULTS OF INTERVIEW (b)(6), (b)(7)(C) 25JUL90... (COPY 0023 ONLY)
(10) IA: RESULTS OF INTERVIEW (b)(6), (b)(7)(C) 5AUG90... (COPY 0023 ONLY)
(11) IA: RESULTS OF INTERVIEW (b)(6), (b)(7)(C) 21AUG90... (COPY 0023 ONLY)
(12) IA: CONTRACT REVIEW-1621/27SEP90... (COPY 0023 ONLY)
(13) IA: LIAISON WITH NOSC LEGAL COUNSEL/10OCT90... (COPY 0023 ONLY)
(14) IA: LIAISON WITH DCAA/10OCT90... (COPY 0023 ONLY)
(15) IA: INQUIRIES AT NOSC SECURITY/SAFETY OFFICE/11OCT90... (COPY 0023 ONLY)
(16) IA: INTERVIEW OF (b)(6), (b)(7)(C) /11OCT90... (COPY 0023 ONLY)
(17) IA: RESULTS OF INTERVIEW (b)(6), (b)(7)(C) 08NOV90... (COPY 0023 ONLY)
(18) NAV SPAWAR COMMAND MEMORANDUM/24DEC87... (COPY 0023 ONLY)
(19) IA: RESULTS OF INTERVIEW (b)(6), (b)(7)(C) 10DEC90... (COPY 0023 ONLY)

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-4GNA/T

INVESTIGATIVE ACTION: REVIEW OF PERSONNEL FILE/ (b)(6), (b)(7)(C)

ON 22FEB90, THE PERSONNEL FILE OF (b)(6), (b)(7)(C) RETAINED AT THE
NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, WAS REVIEWED.

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 01MAR90

EXHIBIT (1)

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-46NA

INVESTIGATIVE ACTION: REVIEW OF PERSONNEL FILE (b)(6), (b)(7)(C)

ON 22FEB90, THE PERSONNEL FILE OF (b)(6), (b)(7)(C), RETAINED AT THE
NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, WAS REVIEWED.

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 01MAR90

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-46NA/T

INVESTIGATIVE ACTION: REVIEW OF PERSONNEL FILE (b)(6), (b)(7)(C)

ON 22FEB90, THE PERSONNEL FILE OF (b)(6), (b)(7)(C) RETAINED AT THE
NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, WAS REVIEWED.

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 01MAR90

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/B00Z-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-46NA/T

INVESTIGATIVE ACTION: REVIEW OF PERSONNEL FILE/ (b)(6), (b)(7)(C)

ON 22FEB90, .THER PERSONNEL FILE OF (b)(6), (b)(7)(C) RETAINED AT THE
NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, WAS REVIEWED.

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 01MAR90

EXHIBIT (4)
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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-46NA/T

INVESTIGATIVE ACTION: REVIEW OF PERSONNEL FILE, (b)(6), (b)(7)(C)

ON 22FEB90, THE PERSONNEL FILE OF (b)(6), (b)(7)(C) RETAINED AT THE
NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, WAS REVIEWED.

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 01MAR90

EXHIBIT (5)
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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 250CT89-20FW-0098-46NA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW (b)(6), (b)(7)(C)

ON 05JUN90, (b)(6), (b)(7)(C) WAS INTERVIEWED AT HIS OFFICE AT THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. (b)(6), (b)(7)(C) WAS ADVISED HE WAS BEING INTERVIEWED REGARDING AN ON-GOING INVESTIGATION CONCERNING A POSSIBLE CONFLICT OF INTEREST INVOLVING A FORMER NOSC EMPLOYEE IDENTIFIED AS (b)(6), (b)(7)(C) AND A CONTRACTOR IDENTIFIED AS BOOZ-ALLEN AND HAMILTON, INC., BETHESDA, MD.

AS BACKGROUND, (b)(6), (b)(7)(C) ADVISED HIS TITLE IS (b)(6), (b)(7)(C) AT NOSC, SAN DIEGO, CA, AND HE HAS BEEN EMPLOYED AT NOSC SINCE MARCH 1985.

(b)(6), (b)(7)(C) WAS SHOWN A COPY OF THE SOURCE SELECTION PLAN FOR THEATER C3I SYSTEMS ENGINEERING RESEARCH AND ANALYSIS FOR SOLICITATION (REQUEST FOR PROPOSAL) N68786-87-R-3405 (3405), CONTRACT N68786-88-D-1621.

(b)(6), (b)(7)(C) ACKNOWLEDGED ACCORDING TO THE SOURCE SELECTION PLAN HE WAS ASSIGNED AS A MEMBER OF THE TECHNICAL EVALUATION BOARD (TEB).

(b)(6), (b)(7)(C) SAID THIS WAS HIS FIRST TEB AND HE HAD BEEN EMPLOYED AT NOSC FOR TWO YEARS. HE SAID HE REMEMBERED THERE WAS A SET PROCEDURE IN HOW THE PROPOSAL WAS EVALUATED. (b)(6), (b)(7)(C) RECALLED ALL OF THE BOARD MEMBERS SHARED AN OFFICE WHERE THEY READ THE PROPOSALS. HE ADVISED THE PROPOSALS WERE FROM BOOZ-ALLEN AND HAMILTON, INC., AND SYSTEMS EXPLORATION INCORPORATED (SEI), SAN DIEGO, CA. (b)(6), (b)(7)(C) SAID THE TWO COMPANIES WERE SCORED IN EACH OF THE DIFFERENT CATEGORIES AND THERE WAS NO RECOMMENDATION OF WHO THEY WANTED TO WORK THE CONTRACT. HE SAID HE DIDN'T RECALL EVER KNOWING THE RESULTS OF WHO WAS AWARDED THE CONTRACT. (b)(6), (b)(7)(C) EXPLAINED HE USUALLY KNOWS WHO WAS AWARDED A CONTRACT BUT THIS TIME HE WAS NEVER APPRISED OF THE RESULTS.

(b)(6), (b)(7)(C) SAID HE FELT HE WAS QUALIFIED TO BE ON THE TEB EVEN THOUGH HE WAS THE JUNIOR MEMBER. HE ADVISED THE RFP WAS HARD TO REVIEW, BUT HE WAS ABLE TO COMPREHEND IT. HE ADVISED (b)(6), (b)(7)(C) ANOTHER BOARD MEMBER IS NOW RETIRED AND (b)(6), (b)(7)(C) WAS ALSO A LONG TIME EMPLOYEE AT NOSC, BUT HE IS NOW WORKING FOR THE ARMY SOMEWHERE IN THE STATE OF NEVADA. HE ADDED THERE WERE NO COMMENTS FROM (b)(6), (b)(7)(C) INDICATING BOOZ-ALLEN AND HAMILTON, INC., SHOULD BE AWARDED THE CONTRACT.

(b)(6), (b)(7)(C) SAID HE HAS FREQUENT CONTACT WITH (b)(6), (b)(7)(C) IN A WORKING RELATIONSHIP. HE SAID HE DOESN'T SOCIALIZE WITH EITHER ONE OF THEM. HE DID ADVISE WHEN (b)(6), (b)(7)(C) WAS EMPLOYED AT NOSC, (b)(6), (b)(7)(C) HAD A CHRISTMAS PARTY AT HIS RESIDENCE WHICH (b)(6), (b)(7)(C) ATTENDED. (b)(6), (b)(7)(C) SAID HE WAS UNAWARE IF (b)(6), (b)(7)(C) SOCIALIZE TOGETHER, EXPLAINING (b)(6), (b)(7)(C) WORKS IN A DIFFERENT BRANCH AT NOSC, BUT DURING THE EVALUATION OF THE PROPOSALS, THEY WORKED IN THE SAME BRANCH, CODE 412, THEATER SYSTEMS BRANCH. HE SAID (b)(6), (b)(7)(C) NEVER MADE ANY COMMENTS TO HIM INDICATING BOOZ-ALLEN AND HAMILTON, INC. SHOULD BE AWARDED THE

U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-4GNA/T

CONTRACT. LASTLY, (b)(6), (b)(7)(C) SAID NO ONE EVER TOLD HIM TO LOAD HIS
SCORES TO REFLECT FAVORABLY UPON BOOZ-ALLEN AND HAMILTON, INC. HE
SAID HE WAS AS FAIR AS HE COULD POSSIBLY BE WITH THE TWO PROPOSALS.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT:

(b)(6), (b)(7)(C)

OFFICE: NISRFU SAN DIEGO, CA

DATE TYPED: 06JUN90

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 250CT89-20FW-0098-46NA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW- (b)(6), (b)(7)(C)

ON 11JUN90, (b)(6), (b)(7)(C) WAS INTERVIEWED AT HIS OFFICE, AT THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. (b)(6), (b)(7)(C) WAS ADVISED HE WAS BEING INTERVIEWED REGARDING AN ONGOING INVESTIGATION CONCERNING A POSSIBLE CONFLICT OF INTEREST INVOLVING A FORMER NOSC EMPLOYEE IDENTIFIED AS (b)(6), (b)(7)(C) AND A CONTRACTOR IDENTIFIED AS BOOZ-ALLEN AND HAMILTON, INC., BETHESDA, MD.

AS BACKGROUND, (b)(6), (b)(7)(C) ADVISED HIS TITLE IS CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AT NOSC, SAN DIEGO, CA, AND HE HAS BEEN EMPLOYED AT NOSC SINCE JULY 1970.

(b)(6), (b)(7)(C) ADVISED HE HAS BEEN THE COTR ON CONTRACT N68786-88-D-1621 (1621) FOR APPROXIMATELY ONE YEAR. HE SAID HE TOOK OVER THE CONTRACT FROM (b)(6), (b)(7)(C) WHO CLAIMED IT WAS TOO MUCH WORK FOR HIM. (b)(6), (b)(7)(C) SAID (b)(6), (b)(7)(C) WAS RE-ASSIGNED AS THE PROGRAM MANAGER OF ANOTHER PROJECT.

(b)(6), (b)(7)(C) SAID IF HE HAD TO GRADE THE WORK BEING DONE BY BOOZ-ALLEN AND HAMILTON, INC., HE WOULD GIVE THEM A "C" FOR AVERAGE WORK. HE ADVISED (b)(6), (b)(7)(C) IS THE SAN DIEGO MANAGER FOR BOOZ-ALLEN AND HAMILTON, INC. (b)(6), (b)(7)(C) SAID HIS CONCERN IS THE PROBLEM WITH THE CONFLICT OF INTEREST. HE ADDED HE DIDN'T KNOW WHETHER OR NOT THERE WERE ANY GRATUITIES PASSED BUT HE IS CONCERNED WITH THE APPEARANCE WITH THE CONFLICT OF INTEREST. HE ASKED HOW DOES (b)(6), (b)(7)(C) GET HIRED BY A COMPANY THAT HAS JUST BEEN AWARDED A U. S. GOVERNMENT CONTRACT.

(b)(6), (b)(7)(C) DESCRIBED BOOZ-ALLEN AND HAMILTON, INC., AS A BODY SHOP. HE EXPLAINED WHEN WORK IS THERE THEY HIRE PEOPLE AND WHEN THERE IS NO WORK, THEY LAY THEM OFF OF WORK.

(b)(6), (b)(7)(C) IDENTIFIED THE OTHER COMPANY THAT WAS TRYING TO WIN THE AWARD OF CONTRACT 1621 AS SYSTEMS EXPLORATION INCORPORATED (SEI), SAN DIEGO, CA. HE SAID RECENTLY SEI WAS HAVING FINANCIAL PROBLEMS BUT BTG PURCHASED SEI AND THEY ARE NOW A SUBSIDIARY OF BTG. (b)(6), (b)(7)(C) SAID HE IS THE COTR ON ONE CONTRACT WITH SEI AND HE DESCRIBED THEIR WORK PERFORMANCE AS MEDIOCRE, NOTHING OUTSTANDING.

(b)(6), (b)(7)(C) POINTED OUT ANOTHER MATTER, RELATING WHENEVER (b)(6), (b)(7)(C) TRAVELED, CONDUCTING SURVEYS, HE ALWAYS HAD BOOZ-ALLEN AND HAMILTON, INC., PERSONNEL WITH HIM.

(b)(6), (b)(7)(C) SAID TO HIS KNOWLEDGE, (b)(6), (b)(7)(C) HAD NOTHING ELSE OTHER THAN A PROFESSIONAL WORKING RELATIONSHIP. HE ADDED (b)(6), (b)(7)(C) WORKED FOR (b)(6), (b)(7)(C) WHILE (b)(6), (b)(7)(C) WAS EMPLOYED AT NOSC.

WARNING

EXHIBIT (7)

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-46NA/T

(b)(6), (b)(7)(C) WAS QUESTIONED REGARDING THE QUALIFICATIONS OF THE MEMBERS OF THE TECHNICAL EVALUATION BOARD (TEB) AND HE SAID (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) RETIRED FROM NOSC WITH OVER TWENTY YEARS OF SERVICE EACH.
(b)(6), (b)(7)(C) ALSO BELIEVED (b)(6), (b)(7)(C) HAD SEVERAL CONTRACTS WITH SEI. HE SAID HE COULDN'T FIND A REASON WHY ANY OF THE MEMBERS COULDN'T BE ANYTHING OTHER THAN QUALIFIED TO EVALUATE THE PROPOSALS.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 12JUN90

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-4GNA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW (b)(6), (b)(7)(C)

ON 12JUN90, (b)(6), (b)(7)(C) WAS INTERVIEWED AT HIS OFFICE, AT THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. (b)(6), (b)(7)(C) WAS ADVISED HE WAS BEING INTERVIEWED REGARDING AN ON-GOING INVESTIGATION CONCERNING A POSSIBLE CONFLICT OF INTEREST INVOLVING A FORMER NOSC EMPLOYEE IDENTIFIED AS (b)(6), (b)(7)(C) AND A CONTRACTOR IDENTIFIED AS BOOZ-ALLEN AND HAMILTON, INC., BETHESDA, MD.

AS BACKGROUND, (b)(6), (b)(7)(C) ADVISED HIS TITLE IS TECHNICAL STAFF (b)(6), (b)(7)(C) AT NOSC, SAN DIEGO, CA, AND HE HAS BEEN EMPLOYED AT NOSC SINCE JULY 1970.

(b)(6), (b)(7)(C) WAS SHOWN A COPY OF THE SOURCE SELECTION PLAN FOR THEATER C3I SYSTEMS ENGINEERING RESEARCH AND ANALYSIS FOR SOLICITATION (REQUEST FOR PROPOSAL) N68786-87-R-3405 (3405), CONTRACT N68786-88-D-1621.

(b)(6), (b)(7)(C) ACKNOWLEDGED ACCORDING TO THE SOURCE SELECTION PLAN HE WAS ASSIGNED AS THE (b)(6), (b)(7)(C) BUT HE RELATED TO HIS KNOWLEDGE HE NEVER KNEW HE WAS (b)(6), (b)(7)(C) ON THIS CONTRACT. (b)(6), (b)(7)(C) SAID HE WAS THE (b)(6), (b)(7)(C) AT THAT TIME AND HE WAS INFORMED WHAT WAS GOING ON, BUT HE COULDN'T REMEMBER EVER SIGNING ANYTHING INDICATING HE WAS (b)(6), (b)(7)(C) ADVISED HE HAS BEEN ASSIGNED TO ONLY ONE BOARD AND HE WAS ON A TECHNICAL EVALUATION BOARD (TEB) FOR THE SPACE AND NAVAL WARFARE SYSTEMS COMMAND (SPAWAR) AND IT WAS REGARDING ANOTHER CONTRACT. (b)(6), (b)(7)(C) RELATED THERE SHOULD BE AN AUDIT TRAIL FOR THE CHAIRMAN OF THE CARP TO SIGN OFFICIAL DOCUMENTS, BUT SAID HE WAS NEVER THE CARP. HE ALSO SAID HE DOESN'T RECALL EVER ASSIGNING ANYONE TO THE TEB OR THE COST EVALUATION BOARD (CEB), FOR THIS SOLICITATION.

(b)(6), (b)(7)(C) WAS ASKED IF HE KNEW THE MEMBERS OF THE TEB AND CEB. HE SAID HE KNEW (b)(6), (b)(7)(C) WHO IS NOW RETIRED FROM NOSC, (b)(6), (b)(7)(C) WHO IS NOW WORKING FOR THE ARMY AND (b)(6), (b)(7)(C) WHO IS CURRENTLY EMPLOYED AT NOSC. HE RELATED ALL OF THESE PEOPLE ARE HIGHLY QUALIFIED PERSONNEL. HE KNEW OF NO REASON WHY (b)(6), (b)(7)(C) WOULD QUESTION THEIR QUALIFICATIONS. (b)(6), (b)(7)(C) ALSO RELATED HE KNOWS (b)(6), (b)(7)(C) AND HAS INFREQUENT CONTACT WITH HIM. HE RECALLED HE WAS (b)(6), (b)(7)(C) DIVISION HEAD AND (b)(6), (b)(7)(C) WAS (b)(6), (b)(7)(C) BRANCH HEAD AT CODE 412, THEATER SYSTEM BRANCH, NOSC, SAN DIEGO, CA.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

EXHIBIT (8)
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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-4GNA/T

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 15JUN90

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW (b)(6), (b)(7)(C)

ON 25JUL90, (b)(6), (b)(7)(C) WAS INTERVIEWED AT HIS RESIDENCE BY SPECIAL AGENT (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) WAS ADVISED HE WAS BEING INTERVIEWED REGARDING AN ON-GOING INVESTIGATION CONCERNING A POSSIBLE CONFLICT OF INTEREST INVOLVING A FORMER NAVAL OCEAN SYSTEMS CENTER (NOSC) EMPLOYEE IDENTIFIED AS (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) AND A CONTRACTOR IDENTIFIED AS BOOZ-ALLEN AND HAMILTON, INC., BETHESDA, MD.

AS BACKGROUND, (b)(6), (b)(7)(C) ADVISED HE RETIRED FROM NOSC, SAN DIEGO, CA, IN OCTOBER 1988. HE SAID HE HAD BEEN EMPLOYED AT NOSC SINCE OCTOBER 1960 AND WAS ASSIGNED TO CODE 42, THE INTELLIGENCE GROUP. (b)(6), (b)(7)(C) RELATED HE RETIRED WITH A PAY GRADE OF DP04. (b)(6), (b)(7)(C) SAID HE DOESN'T WORK AT THIS PRESENT TIME.

(b)(6), (b)(7)(C) WAS SHOWN A COPY OF THE SOURCE SELECTION PLAN FOR THEATER C3I SYSTEMS ENGINEERING RESEARCH AND ANALYSIS FOR SOLICITATION. HE ACKNOWLEDGED HE WAS A MEMBER OF THE TECHNICAL EVALUATION BOARD (TEB) TO REVIEW PROPOSALS UNDER REQUEST FOR PROPOSAL (RFP) N68786-87-R-3405 (3405), CONTRACT N68786-88-D-1621 (1621). (b)(6), (b)(7)(C) SAID HE FELT HE WAS QUALIFIED TO BE A MEMBER ON THE TEB. HE ADVISED HE HAD MANAGED PROGRAMS, PUT TOGETHER PLANNING PACKAGES AND MANAGED CONTRACTORS WHILE HE WAS EMPLOYED AT NOSC.

(b)(6), (b)(7)(C) RECALLED THE TEB REVIEWED TWO PROPOSALS, ONE FROM BOOZ-ALLEN AND HAMILTON, INC., AND THE OTHER FROM SYSTEMS EXPLORATION, INC., (SEI), SAN DIEGO, CA. (b)(6), (b)(7)(C) STATED HE USED SEI EXTENSIVELY AND THOUGHT THEY WERE A PRETTY GOOD GOVERNMENT CONTRACTOR THAT DEVELOPED SOFTWARE AND INSTALLED HARDWARE. (b)(6), (b)(7)(C) COULDN'T COMMENT ON BOOZ-ALLEN AND HAMILTON'S REPUTATION BECAUSE HE NEVER USED THEM IN ANY CONTRACT WORK.

(b)(6), (b)(7)(C) SAID HE COULDN'T REMEMBER WHO HE FAVORED IN THE PROPOSALS. HE COULDN'T RECALL HOW HE EVALUATED OR HOW HE SCORED THE PROPOSALS.

(b)(6), (b)(7)(C) WAS ASKED ABOUT THE QUALIFICATIONS OF THE OTHER TEB MEMBERS AND HE SAID HE CONSIDERED (b)(6), (b)(7)(C) TO BE QUALIFIED TO BE ON THE BOARD. HE SAID HE CONSIDERED (b)(6), (b)(7)(C) TO BE AN ACCEPTABLE EVALUATOR BECAUSE HE WAS AN OLDER, SENIOR INDIVIDUAL WITH EXPERIENCE. (b)(6), (b)(7)(C) ADVISED (b)(6), (b)(7)(C) WAS THE CHAIRMAN OF THE TEB AND HE CONSIDERED HIM (b)(6), (b)(7)(C) TO BE VERY QUALIFIED TO HOLD THAT POSITION.

AGENTS NOTE: AT THIS TIME ONE PARAGRAPH OF A MEMORANDUM WAS READ TO (b)(6), (b)(7)(C) THE MEMORANDUM, DATED 17FEB87, WAS FROM (b)(6), (b)(7)(C) TO THE

EXHIBIT (9)

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

(b)(6), (b)(7)(C)

"IN SUMMARY, AND AS (b)(6), (b)(7)(C) OF THE TECHNICAL EVALUATION BOARD, THE FOLLOWING COMMENTS APPLY. OF THE TWO PROPOSALS RECEIVED, THAT OF BOOZ, ALLEN AND HAMILTON, INC., INDICATES A SIGNIFICANT SUPERIORITY OVER THAT OF SYSTEMS EXPLORATION, INC. THE SYSTEMS EXPLORATION, INC., PROPOSAL HAS THE FOLLOWING TWO HIGHLY SIGNIFICANT DEFICIENCIES. FIRST, THEIR TECHNICAL APPROACH AND EXPERIENCE REFLECTS A POOR ABILITY TO PERFORM THE PRINCIPAL EFFORTS OF THIS CONTRACT WHICH IS SYSTEMS ARCHITECTURE ANALYSIS AND DESIGN. THEIR LACK OF UNDERSTANDING OF WHAT IS INVOLVED IN THIS TYPE OF WORK IS OBSCURED BY A WEALTH OF VERBAGE, USING THE CORRECT BUZZ-WORDS BUT LACKING THE INCISIVENESS OF DETAIL PROVIDED IN THE BOOZ, ALLEN AND HAMILTON PROPOSAL. I, AS (b)(6), (b)(7)(C) BELIEVE THAT MY CO-EVALUATORS WERE DELUDED BY THIS WEALTH OF WORDS INTO BELIEVING THE SYSTEMS EXPLORATION TRULY UNDERSTANDS THIS WORK AREA. HAVING AN MASTER'S DEGREE IN ELECTRICAL ENGINEERING AND FOURTEEN YEARS EXPERIENCE OF WORKING FOR NOSC SUBSTANTIATES MY CREDIBILITY TO SPEAK TO THIS MATTER."

LASTLY, (b)(6), (b)(7)(C) PROVIDED HIS RECOMMENDATIONS AS (b)(6), (b)(7)(C) OF THE TEB REGARDING WHICH CONTRACTOR SHOULD BE AWARDED THE CONTRACT.

"THUS, IT IS MY CONCLUSION AS (b)(6), (b)(7)(C) OF THE TECHNICAL EVALUATION BOARD THAT BOOZ, ALLEN AND HAMILTON, INC., IS SIGNIFICANTLY TECHNICALLY SUPERIOR TO SYSTEMS EXPLORATION, AND THAT BOOZ, ALLEN AND HAMILTON SHOULD BE SELECTED FOR THE AWARD OF THIS CONTRACT."

(b)(6), (b)(7)(C) RESPONDED TO THE TWO AFOREMENTIONED PARAGRAPHS BY SAYING THE CONTRACTING OFFICER SHOULDN'T HAVE PAID ANY ATTENTION TO THE LETTER.

(b)(6), (b)(7)(C) SAID HE WOULDN'T HAVE WRITTEN A MEMORANDUM LIKE THIS. HE ADVISED SEI IS NOT A BAD OUTFIT. (b)(6), (b)(7)(C) SAID BOTH COMPANIES DO GOOD WORK. HE THEN SAID IF (b)(6), (b)(7)(C) FEELS THIS WAY THEN HE HAS A RIGHT TO MAKE THIS TYPE OF STATEMENT. (b)(6), (b)(7)(C) SAID AT THIS TIME DURING THE REVIEW OF THE PROPOSALS, (b)(6), (b)(7)(C) WAS CHAIRMAN OF THE TEB, MAKING HIM (b)(6), (b)(7)(C) SUPERVISOR.

(b)(6), (b)(7)(C) WAS ASKED IF HE KNEW WHO THE CHAIRMAN OF THE CARP WAS (b)(6), (b)(7)(C) AND HE SAID HE DID NOT KNOW. HE ADVISED THE CARP IS THE REVIEW PANEL OF THE TEB AND THE COST EVALUATION BOARD (CEB) AND NEITHER THE CEB NOR THE TEB SHOULD HAVE ACCESS TO EITHER ONE'S MATERIAL OR FINDINGS. (b)(6), (b)(7)(C) WAS TOLD (b)(6), (b)(7)(C) WAS THE CHAIRMAN OF THE CARP AND NOT EVEN (b)(6), (b)(7)(C) KNEW HE WAS ASSIGNED TO THIS POSITION. (b)(6), (b)(7)(C) RELATED IT WAS THE CONTRACTING OFFICER'S RESPONSIBILITY TO KNOW WHO HIS LEADERS ARE. HE ADDED, IF THE CONTRACTING OFFICER ISN'T IN CONTACT WITH HIS LEADERS THERE IS A PROBLEM.

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

(b)(6), (b)(7)(C) ADVISED (b)(6), (b)(7)(C) WAS THE DESIGNATED CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) ON CONTRACT 1621. HE FELT IT WAS WRONG FOR (b)(6), (b)(7)(C) TO BE THE COTR, A MEMBER OF THE CEB AND TO ASSIST WITH EVALUATING THE TEB SCORES. (b)(6), (b)(7)(C) FELT IT SHOULD HAVE BEEN THE CONTRACTING OFFICER'S CALL. (b)(6), (b)(7)(C) THEN SAID HE FEELS THE PROSPECTIVE COTR SHOULD BE A MEMBER OF THE CEB AND THE TEB.

LASTLY, (b)(6), (b)(7)(C) SAID (b)(6), (b)(7)(C) WAS A HARD WORKING GUY AND HE MADE EVERY EFFORT TO MAKE SURE THE GOVERNMENT GOT THEIR MONEY'S WORTH. HE DESCRIBED (b)(6), (b)(7)(C) AS AN EXCELLENT GUY WHO DID GOOD WORK. HE ALSO RELATED (b)(6), (b)(7)(C) DOESN'T HAVE A COLLEGE DEGREE AND NOTICED (b)(6), (b)(7)(C) ALWAYS HAD TO PROVE HIMSELF AMONG HIS PEERS.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTED BY: (b)(6), (b)(7)(C)
OFFICE: NISRFO SAN DIEGO, CA
DATE TYPED: 26JUL90

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

ON 15 AUG 90, (b)(6), (b)(7)(C) SSD CONTRACTS, LOCKHEED MISSILES AND SPACE COMPANY (LMSC), INC., SUNNYVALE, CA WAS INTERVIEWED AT HIS RESIDENCE BY SA (b)(6), (b)(7)(C) AND S (b)(6), (b)(7)(C) WAS ADVISED HE WAS BEING INTERVIEWED REGARDING HIS KNOWLEDGE OF CONFLICT OF INTEREST ALLEGATIONS PERTAINING TO CONTRACT #N68786-88-D-1621 (1621). SPECIFICALLY, HE WAS ASKED QUESTIONS PERTAINING TO IRREGULARITIES SURROUNDING THE PROCUREMENT PROCEDURES OF THIS CONTRACT.

AS BACKGROUND, (b)(6), (b)(7)(C) AND WAS THE (b)(6), (b)(7)(C) FOR THIS CONTRACT. AS (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) HAD THE FINAL AUTHORITY CONCERNING EVALUATING THE LEGITIMACY OF COST AND TECHNICAL PROPOSALS SUBMITTED FOR POTENTIAL CONTRACT AWARD. (b)(6), (b)(7)(C) RESIGNED HIS COMMISSION IN MAY 89, AFTER 13 YEARS OF SERVICE. (b)(6), (b)(7)(C) THEN ASSUMED HIS CURRENT POSITION WITH LMSC.

(b)(6), (b)(7)(C) ADVISED HE WAS THE (b)(6), (b)(7)(C) ON 1621. (b)(6), (b)(7)(C) ALSO ADVISED THAT HE WAS THE (b)(6), (b)(7)(C) AND HAD THE AUTHORITY TO APPOINT HIMSELF (b)(6), (b)(7)(C) CONFIRMED THAT THE TECHNICAL EVALUATION BOARD (TEB) WAS HEADED UP BY (b)(6), (b)(7)(C) NAVAL OCEAN SYSTEM COMMAND (NOSC). (b)(6), (b)(7)(C) THOUGHT (b)(6), (b)(7)(C) NOSC, APPOINTED THE MEMBERS OF THE TEB. HE FURTHER ADVISED THAT THE TEB MEMBERS ARE NOT QUESTIONED BY NOSC OR THE CONTRACTING ACTIVITY REGARDING THEIR TECHNICAL COMPETENCY. (b)(6), (b)(7)(C) ALSO ADVISED THAT THE APPOINTMENT OF THE TEB MEMBERS BY NOSC IS NORMAL. (b)(6), (b)(7)(C) FURTHER ADVISED THAT THE CONTRACT AWARD REVIEW PANEL (CARP) WAS SELECTED BY NOSC. THE CARP IS LOOSELY STRUCTURED AND IS UTILIZED WHEN TWO PROPOSALS ARE IN CLOSE COMPETITION WITH EACH OTHER. BOTH FINANCIALLY AND TECHNICALLY. (b)(6), (b)(7)(C) ADVISED THAT (b)(6), (b)(7)(C) WAS APPOINTED AS THE CHAIRMAN OF THE CARP BECAUSE IT WAS PART OF HIS JOB RESPONSIBILITIES. (b)(6), (b)(7)(C) WAS (b)(6), (b)(7)(C) SUPERVISOR. (b)(6), (b)(7)(C) ADVISED HE KNEW THAT (b)(6), (b)(7)(C) WAS THE CHAIRMAN OF THE CARP BECAUSE HE (b)(6), (b)(7)(C) DRAFTED THE SOURCE SELECTION PLAN.

(b)(6), (b)(7)(C) CONFIRMED THAT HE REVIEWED (b)(6), (b)(7)(C) MEMO TO THE CARP CHAIRMAN, RECOMMENDING SELECTION OF BOOZ-ALLEN AND HAMILTON (BAH) OVER SYSTEMS EXPLORATION (SE), ENCLOSURE (1) IS (b)(6), (b)(7)(C) MEMO. (b)(6), (b)(7)(C) DID RELY SOMEWHAT ON (b)(6), (b)(7)(C) MEMO AND STATED HE "WOULD REQUIRE SIGNIFICANT JUSTIFICATION TO QUESTION THE INFORMATION CONTAINED IN THE MEMO." (b)(6), (b)(7)(C) ADVISED HE DID NOT RELY SOLELY ON (b)(6), (b)(7)(C) MEMO, BUT STATED IT, "UNDOUBTEDLY HAD A BASIS IN MY DECISION." BECAUSE (b)(6), (b)(7)(C) DISCOVERED DISCREPANCIES IN SOME OF THE

PAGE 1 OF 3

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EXHIBIT (10)

U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

TEB MEMBER SCORES HE DID NOT RELY SOLELY ON (b)(6), (b)(7)(C) MEMO. HE EXPLAINED THAT SOME TEB MEMBERS DID NOT COMPLETE PORTIONS OF THE TECHNICAL EVALUATION; THEREFORE, (b)(6), (b)(7)(C) DISALLOWED THOSE INDIVIDUALS SCORES. (b)(6), (b)(7)(C) DID NOT USE (b)(6), (b)(7)(C) SCORES BECAUSE HE WAS NOT PART OF THE TEB. (b)(6), (b)(7)(C) REPLACED SOME OF THE DISALLOWED TEB MEMBERS, BUT COULD NOT REMEMBER THEIR NAMES. (b)(6), (b)(7)(C) ALSO ADVISED THAT HE COULD NOT REMEMBER HOW THIS CHANGE AFFECTED THE DIFFERENCE IN THE OVERALL TEB SCORES BETWEEN BAH AND SE.

(b)(6), (b)(7)(C) DOES NOT REMEMBER SEEING THE MEMO FROM (b)(6), (b)(7)(C) EXPLAINING HOW (b)(6), (b)(7)(C) REVIEWED THE TEB SCORES, ENCLOSURE (2) IS THE MEMO. (b)(6), (b)(7)(C) ADVISED THAT NO REGULATION PROHIBITS (b)(6), (b)(7)(C) FROM SEEING THE TEB SCORES. BECAUSE HE WAS NOT AN "OFFICIAL" MEMBER OF THE TEB, (b)(6), (b)(7)(C) WAS ALLOWED TO BE APPOINTED TO THE TEB, EVEN THOUGH HE WAS (b)(6), (b)(7)(C) SUPERVISOR. ALTHOUGH (b)(6), (b)(7)(C) FELT UNEASY ABOUT THIS SITUATION, HE DID NOT PRECLUDE (b)(6), (b)(7)(C) FROM REVIEWING THE TEB SCORES BECAUSE HE FELT THAT WAS THE RESPONSIBILITY OF NOSC. (b)(6), (b)(7)(C) DID NOT KNOW WHY (b)(6), (b)(7)(C) REVIEWED THE TEB SCORES AND ADVISED THIS WAS NORMALLY DONE BY THE CHAIRMAN OF THE TEB.

(b)(6), (b)(7)(C) ADVISED THAT THE SCORES FROM THE BEST AND FINAL OFFER (BAFO) WERE NOT THE ONES USED AS REPORTED IN THE (b)(6), (b)(7)(C) MEMO DATED 17 MAR 88, ENCLOSURE (2) PERTAINS. THE TEB SCORES GIVEN USED ARE DELINEATED IN THE "BUSINESS CLEARANCE." BECAUSE OF THE INCONSISTENCIES NOTED, (b)(6), (b)(7)(C) CONSIDERED STARTING THE PROPOSAL PROCESS OVER AGAIN; HOWEVER, THE CONTRACT WAS ALREADY BEHIND SCHEDULE AND HE FELT BAH WAS TECHNICALLY SUPERIOR TO SE. IN HIS OPINION, NOSC WAS GETTING THE BEST CONTRACTOR IN SPITE OF THE PROBLEMS WITH (b)(6), (b)(7)(C) AND THE TEB. (b)(6), (b)(7)(C) ADVISED THAT THE NOSC COMMANDING OFFICER (CO) WAS WILLING TO GO ALONG WITH AN AWARD TO BAH IF (b)(6), (b)(7)(C) CONCURRED.

(b)(6), (b)(7)(C) WAS CONCERNED THAT (b)(6), (b)(7)(C) SOUGHT EMPLOYMENT WITH BAH AND WAS SURPRISED TO LEARN THAT HE WAS THE PROGRAM MANAGER FOR CONTRACT 1621. (b)(6), (b)(7)(C) FELT NOSC HAD A RESPONSIBILITY TO ADVISE HIM OF (b)(6), (b)(7)(C) EMPLOYMENT APPLICATION WITH BAH. HE DISCOVERED THIS AFTER THE CONTRACT WAS AWARDED. (b)(6), (b)(7)(C) ALSO ADVISED THAT HE CALLED BAH TO DISCUSS THE MATTER. THEY ASSURED HIM THAT (b)(6), (b)(7)(C) WOULD NOT BE INVOLVED WITH CONTRACT 1621. (b)(6), (b)(7)(C) ALSO ADVISED THAT (b)(6), (b)(7)(C) HAD A LETTER WRITTEN FOR HIM FROM AN ADMIRAL IN THE NAVY, NFI, AUTHORIZING (b)(6), (b)(7)(C) TO SEEK EMPLOYMENT WITH BAH.

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

(b)(6), (b)(7)(C) ADVISED THAT HE DISCUSSED COST INFORMATION WITH (b)(6), (b)(7)(C) HE FURTHER ADVISED THAT HE MAY HAVE TOLD (b)(6), (b)(7)(C) WHO THE HIGHEST BIDDER WAS AND THE AMOUNT. THE "FEE" BID BY EITHER BAH OR SE COULD HAVE BEEN REDUCED AFTER THIS COST INFORMATION WAS DISCUSSED WITH (b)(6), (b)(7)(C) THE FACT THAT THE FEE MAY HAVE BEEN REDUCED ON A BAFO IS NORMAL.

(b)(6), (b)(7)(C) PROVIDED NO FURTHER SUBSTANTIVE INFORMATION.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

ENCLOSURES

(1) (b)(6), (b)(7)(C) MEMO/17FEB87
(2) MEMO/17MAR88

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN FRANCISCO, CA
DATE TYPED: 17 AUG 90

PAGE 3 OF 3

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Pages 243 through 245 redacted for the following reasons:

-----Pages (243) - (245), Enclosures (1) - (2): Referred to the Space and Naval Warfare Systems Command, Freedom of Information Act Office (Code 3.5), 4301 Pacific Highway, OT-4, Santa Monica, CA 92110-3127

U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

ON 21 AUG 90, (b)(6), (b)(7)(C) GS-11, USN, WAS INTERVIEWED AT HIS PLACE OF EMPLOYMENT BY SPECIAL AGENT (b)(6), (b)(7)(C) WAS ADVISED THAT HE WAS BEING INTERVIEWED REGARDING HIS EMPLOYMENT WITH THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA., AND IN PARTICULAR, ANY INVOLVEMENT HE MAY HAVE HAD WITH A TECHNICAL EVALUATION BOARD (TEB) FOR RFP N68786-87-R-3405.

AS BACKGROUND, (b)(6), (b)(7)(C) PROVIDED INFORMATION REGARDING HIS EMPLOYMENT HISTORY. (b)(6), (b)(7)(C) ADVISED THAT HE WORKED AS A COMPUTER SPECIALIST FOR NOSC FROM JAN 1965 UNTIL FEB 1988. HE QUIT AND MOVED TO RENO, NV., TO BE CLOSER TO HIS TWO DAUGHTERS. HE CURRENTLY WORKS AS A PROGRAMMER/ANALYST FOR THE DIRECTOR OF INFORMATION MANAGEMENT, SIERRA ARMY DEPOT, HERLONG, CA. WHILE AT NOSC, HE WAS A DP-IV (GS-334-14 EQUIVALENT) FROM JAN 1970 UNTIL HE LEFT. FROM FEB 1985 UNTIL FEB 1988, HE WAS INVOLVED WITH THE WAR GAMING SIMULATOR OR INTERIM BATTLEGROUP TACTICAL TRAINER (IBGTT) AS IT USED TO BE CALLED. PRIOR TO THAT, HE WAS RESPONSIBLE FOR THE DEVELOPMENT, DESIGN, AND IMPLEMENTATION OF A LOCAL AREA COMPUTER NETWORK FOR NOSC HAWAII AND NOSC POINT LOMA WHICH WOULD CONNECT EVERY COMPUTER SYSTEM IN EACH AREA TOGETHER. THE OBJECTIVE WAS TO MAKE NOSC MORE PRODUCTIVE IN ITS RESEARCH AND DEVELOPMENT EFFORTS. HE WAS RESPONSIBLE FOR THE STATEMENTS OF WORK (SOW) AND WAS RESPONSIBLE FOR MONITORING THE CONTRACTOR'S WORK ONCE THE CONTRACT WAS AWARDED. (b)(6), (b)(7)(C) EXPLAINED THAT THE SYSTEM WAS QUITE COMPLEX AND HE WAS INVOLVED WITH SEVERAL ADDITIONAL COMPLEX SYSTEMS WHILE EMPLOYED AT NOSC THAT INCLUDED SYSTEM DESIGN. TO ASSIST IN EXPLAINING THE COMPLEX DUTIES HE WAS INVOLVED WITH, AND TO ALSO PROVIDE INFORMATION AS TO HIS CAPABILITIES AND EXPERIENCE, (b)(6), (b)(7)(C) PROVIDED A COPY OF HIS SF 171. ATTACHED AS ENCLOSURE (1) ARE CONTINUATION SHEETS THAT SET FORTH HIS ENTIRE WORK HISTORY. (b)(6), (b)(7)(C) ALSO EXPLAINED THAT WHILE AT NOSC, HE PARTICIPATED IN APPROXIMATELY EIGHT TECHNICAL EVALUATION BOARDS.

(b)(6), (b)(7)(C) CONFIRMED HE WAS A MEMBER OF THE TEB FOR RFP N68786-87-R-3405. HE ALSO CONFIRMED THAT (b)(6), (b)(7)(C) WAS THE CHAIRMAN AND WAS ON THE BOARD DUE TO HIS COMMUNICATIONS EXPERIENCE. (b)(6), (b)(7)(C) WAS ALSO ON THE BOARD AND WAS AN EXPERT IN COMMUNICATIONS. HE STATED THAT (b)(6), (b)(7)(C) WAS ON THE BOARD FROM THE INTEL SIDE AND (b)(6), (b)(7)(C) WAS THERE FOR COMMAND/CONTROL. (b)(6), (b)(7)(C) WENT ON TO EXPLAIN THAT MEMBERS OF THIS BOARD, AS WELL AS OTHER BOARDS HE HAD BEEN ON, ARE MADE UP OF INDIVIDUALS WHO ARE EXTREMELY WELL QUALIFIED TO EVALUATE THE PROPOSALS AND ARE, THEREFORE, TAKEN FROM DIFFERENT BRANCHES AND DIFFERENT DIVISIONS. HE SAID THAT (b)(6), (b)(7)(C) WORKED FOR (b)(6), (b)(7)(C) WHO WAS A BRANCH HEAD AND HE WORKED FOR (b)(6), (b)(7)(C) WHO WAS A PROJECT MANAGER. (b)(6), (b)(7)(C) BOSS WAS A MAN NAMED (b)(6), (b)(7)(C) WHO WAS ALSO A BRANCH HEAD. THE BRANCH HEADS ANSWERED TO (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) WENT ON TO SAY THAT THE MEMBERS OF THE TEB WERE ALL BRIEFED ON THE CONTRACT AND WERE PROVIDED CRITERIA ON HOW TO EVALUATE THE DIFFERENT PROPOSALS. THIS BRIEFING WAS CONDUCTED ALL TOGETHER, THEN THEY WERE EACH

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Exhibit (11)

ACCESS
SPECIFIC

U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 25OCT89-20FW-0098-4CNA/T

PROVIDED COPIES OF THE PROPOSALS AND WERE SEGREGATED FOR THE ENTIRE EVALUATION PROCESS. HE DID NOT EVEN SEE THE OTHER MEMBERS EXCEPT FOR (b)(6), (b)(7)(C) FROM WHOM HE HAD TO CHECK OUT THE PAPERWORK EACH DAY AND RETURN IT AT THE END OF EACH DAY FOR SAFE KEEPING. (b)(6), (b)(7)(C) STATED THAT HE USED (b)(6), (b)(7)(C) OFFICE TO DO HIS EVALUATIONS BECAUSE THEY WERE SHORT ON INDIVIDUAL OFFICES FOR THE BOARD MEMBERS. HE STATED THAT IT TOOK APPROXIMATELY THREE WEEKS TO COMPLETE THE EVALUATIONS ON THE TWO PROPOSALS PROVIDED BY BOOZ-ALLEN AND HAMILTON AND SYSTEMS EXPLORATION, INC. HE SAID THEY WERE NEVER ALLOWED TO SEE THE COSTS INVOLVED.

(b)(6), (b)(7)(C) WAS ASKED IF THE INDIVIDUAL MEMBERS OF THE TEB WERE QUALIFIED. HE STATED THAT IF HE HAD TO CHOOSE THE LEAST QUALIFIED PERSON ON THE BOARD, IT WOULD HAVE TO BE THE CHAIRMAN, (b)(6), (b)(7)(C) HE EXPLAINED THAT IT DID NOT MAKE MUCH SENSE PUTTING HIM IN CHARGE, BUT (b)(6), (b)(7)(C) FELT IT HAD BEEN A POLITICAL TYPE MOVE. (b)(6), (b)(7)(C) ALSO STATED THAT EVERY MEMBER OF THE TEB WAS EXTREMELY QUALIFIED AND THAT (b)(6), (b)(7)(C) WAS A CUT ABOVE EVERYBODY ELSE. HE SAID THAT (b)(6), (b)(7)(C) HAD ABOUT 30 YEARS EXPERIENCE IN THE SAME COMPUTER TYPE FIELD THEY WERE BEING TASKED TO EVALUATE. (b)(6), (b)(7)(C) SAID THAT AS FAR AS HE WAS CONCERNED, HE HAD PERSONALLY DESIGNED AND DEVELOPED, FROM THE GROUND UP, SYSTEMS SIMILAR TO THE ONE IN QUESTION. AS FOR (b)(6), (b)(7)(C) COMMENTS ON HIS MEMORANDUM TO THE CHAIRMAN OF THE CONTRACT AWARD REVIEW PANEL, (b)(6), (b)(7)(C) STATED THAT THEY WERE WAY OUT OF LINE AND THAT (b)(6), (b)(7)(C) WAS IN NO POSITION TO MAKE COMMENTS AS TO THE ABILITIES OF THE MEMBERS ON THE TEB. (b)(6), (b)(7)(C) WENT ON TO SAY THAT AS FAR AS HE COULD REMEMBER, BOTH COMPANIES INVOLVED WITH THE SOLICITATION WERE TECHNICALLY QUALIFIED AND THAT COST WAS GOING TO HAVE TO BE THE DETERMINING FACTOR. (b)(6), (b)(7)(C) STATED THAT THE RESPONSIBILITIES FOR EACH OF THE MEMBERS OF THE TEB WERE THE SAME AND THAT WAS TO MAKE AN INDEPENDENT EVALUATION OF THE COMPANIES ABILITIES TO FULFILL THE REQUIREMENTS OF THE CONTRACT. EACH MEMBER OF THE TEB WAS TO HAVE EQUAL INPUT. HE DID NOT REMEMBER WHOM HE FAVORED IN HIS SCORES.

(b)(6), (b)(7)(C) ALSO ADVISED THAT HE HAD NEVER WORKED WITH BOOZ-ALLEN AND HAMILTON, INC., ON ANY PREVIOUS CONTRACTS, BUT THAT SYSTEMS EXPLORATION, INC., SOMETIMES WAS UTILIZED AS A SUB-CONTRACTOR BY SOME OF THE PRIMES THAT WORKED AT NOSC. HE SAID THAT SYSTEMS EXPLORATION WAS AS COMPETENT A COMPANY AS HE HAS SEEN.

(b)(6), (b)(7)(C) WAS NOT AWARE OF WHO WAS THE CHAIRMAN OF THE CONTRACT AWARD REVIEW PANEL. HE SAID HE NEVER GOT INVOLVED WITH THE DECISION MAKERS. (b)(6), (b)(7)(C) ADVISED THAT HE WAS NOT AWARE OF ANY RELATIONSHIP, WORKING OR SOCIAL, BETWEEN (b)(6), (b)(7)(C) HE ONLY KNEW THAT (b)(6), (b)(7)(C) WORKED FOR (b)(6), (b)(7)(C) AND THAT EVERY ONCE IN AWHILE, WHEN HE WOULD SEE THEM TOGETHER, THEY APPEARED TO GET JALONG WELL. (b)(6), (b)(7)(C) WAS ALSO NOT AWARE OF ANY CONNECTION BETWEEN (b)(6), (b)(7)(C) AND BOOZ-ALLEN AND HAMILTON. HE WAS NOT AWARE THAT (b)(6), (b)(7)(C) HAD GONE TO WORK THAT COMPANY.

(b)(6), (b)(7)(C) COULD PROVIDE NO ADDITIONAL PERTINENT INFORMATION.

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 25OCT89-20FW-0098-4CNA/T

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

ENCLOSURE

(1) SF-171 CONTINUATION SHEETS,

(b)(6), (b)(7)(C)

REPORTING AGENT:

(b)(6), (b)(7)(C)

OFFICE:

NISRA FALLON, NV.

DATE TYPED:

22 AUG 90

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Pages 249 through 258 redacted for the following reasons:

(b)(6), (b)(7)(C), Pages (249) - (258), Enclosure (1)

U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: CONTRACT REVIEW

CONTRACT 1621

CONTRACT NUMBER: N68786-88-D-1621
CONTRACTOR: BOOZ-ALLEN AND HAMILTON, INC.
4025 HANCOCK STREET
SUITE 109
SAN DIEGO, CA 92110

DATE OF CONTRACT: 27JUL88

PCO: (b)(6), (b)(7)(C)

ACO: NRCCB, OAKLAND, CA

TYPE OF CONTRACT: COST PLUS FIXED FEE

COMPETITION: SYSTEMS EXPLORATION, INC

4141 JULTAND DRIVE

SAN DIEGO, CA 92117

FUNDING: MISC. CUSTOMERS

SOLICITATION: N68786-87-R-3405

CONTRACT AMOUNT: \$ 903,508

FIRST YEAR OPTION: \$1,825,457

SECOND YEAR OPTION: \$1,884,051

THIRD YEAR OPTION: \$1,944,887

SUBCONTRACTOR: ULTRASYSTEMS, DEFENSE AND SPACE, INC.

16775 VON KARMON AVENUE

IRVINE, CA 92714

THE REVIEW OF CONTRACT 1621 WAS DONE PRIMARILY TO ASCERTAIN IF (b)(6), (b)(7)(C) (CO-SUBJECT), WAS AN ACTIVE PARTICIPANT ON THE CONTRACT. SEVERAL COMPANY DOCUMENTS WERE FOUND WHICH ARE APPENDED AS ATTACHMENT (1), IDENTIFYING (b)(6), (b)(7)(C) AS A COMPANY "PRINCIPAL. DURING THE REVIEW, A NOSC INTERNAL REVIEW REPORT WITH ATTACHMENTS WAS DISCOVERED, ATTACHMENT (2) PERTAINS, REFLECTING NO CONFLICT OF INTEREST BETWEEN (b)(6), (b)(7)(C) A RETIRED NOSC EMPLOYEE AND HIS CURRENT EMPLOYER, BOOZ-ALLEN AND HAMILTON, INC., SAN DIEGO, CA. ALSO DISCOVERED IN THE CONTRACT FILE WERE MEMORANDUMS REPLACING (b)(6), (b)(7)(C) WITH (b)(6), (b)(7)(C) AS THE CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) ON 01OCT87 AND ANOTHER MEMORANDUM REPLACING (b)(6), (b)(7)(C) AS COTR WITH (b)(6), (b)(7)(C) ON 01MAR89. THESE TWO MEMORANDUMS ARE APPENDED AS ATTACHMENTS (3).

ATTACHMENTS

- (1) NUMEROUS BOOZ-ALLEN AND HAMILTON CORRESPONDENCE/MISC. DATES
- (2) NOSC INTERNAL REVIEW REPORT W/ATTACHMENTS/19AUG88
- (3) TWO MEMORANDUMS/01OCT87 AND 01MAR89

EXHIBIT (12)

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U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/B00Z-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

REPORTED BY: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 27SEP90

Pages 261 through 329 redacted for the following reasons:

Pages (261) - (310), Attachment (1): Write to Booz Allen & Hamilton, 8283 Greensboro Drive, McLean, Virginia 22102

Pages (311) - (329), Attachments (2) - (3): Referred to the Space and Naval Warfare Systems Command, Freedom of Information Act Office (Code 3.5), 4301 Pacific Highway, OT-4, San Diego, CA 92110-3127

U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: LIAISON WITH NSC Referred to the Space and Naval Warfare Systems Command,

Referred to the Space and Naval Warfare Systems Command, Freedom of Information Act Office (Code 3.5), 4301 Pacific Highway, OT-4, San Diego, CA 92110-3127

REPORTED BY: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 12OCT90

U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: LIAISON WITH DCAA

ON 10OCT90, (b)(6), (b)(7)(C) GM13, SUPERVISORY AUDITOR, DEFENSE CONTRACT AUDIT AGENCY (DCAA), SAN DIEGO, CA, WAS CONTACTED AT HIS OFFICE AND WAS INTERVIEWED BY REPORTING AGENT. (b)(6), (b)(7)(C) WAS ADVISED HE WAS BEING INTERVIEWED REGARDING A TELEPHONE CONVERSATION HE HAD WITH (b)(6), (b)(7)(C) OF THE NAVAL AUDIT SERVICE (NAS) ON 10AUG89.

(b)(6), (b)(7)(C) SAID HE RECALLED HIS TELEPHONE CONVERSATION WITH (b)(6), (b)(7)(C) ON 10AUG89, REGARDING CONTRACT N68786-87-D-1621 (1621). HE SAID THE CONVERSATION DEALT WITH PRE AND POST NEGOTIATION BUSINESS CLEARANCES WHICH STATE THE DCAA PERFORMED A RATE CHECK FOR THE NAVAL REGIONAL CONTRACTING CENTER BRANCH (NRCCB), OAKLAND, CA. ON SYSTEMS EXPLORATION, INC., (SEI), SAN DIEGO, CA. (b)(6), (b)(7)(C) ADVISED HE SEARCHED HIS FILES AND CONCLUDED HIS OFFICE DIDN'T PERFORM ANY RATE CHECK FOR NRCCB REGARDING SEI CORPORATION, OF FOR BOOZ-ALLEN AND HAMILTON, INC. (b)(6), (b)(7)(C) RELATED HIS OFFICE HAS A POLICY TO ALWAYS ISSUE A FOLLOW-UP LETTER TO THE REQUESTOR OF THE RATE CHECK DOCUMENTING THE SPECIFIC SERVICES DCAA PERFORMED FOR THEM. HE ADDED DCAA ALSO KEEPS A COPY OF THE LETTER ON FILE AS A RECORD TO DOCUMENT THE SERVICES RENDERED.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTED BY: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 12OCT90

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EXHIBIT (14)

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U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: INQUIRIES AT NOSC SECURITY/SAFETY OFFICE, SAN DIEGO, CA

ON 11OCT90, (b)(6), (b)(7)(C) CIVILIAN, ADMINISTRATIVE ASSISTANT, SECURITY/SAFETY OFFICE, NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, WAS CONTACTED. (b)(6), (b)(7)(C) PROVIDED THE CONTRACTOR FILE LISTING (b)(6), (b)(7)(C) AS AN EMPLOYEE OF BOOZ-ALLEN AND HAMILTON, INC., SAN DIEGO, CA. SHE WAS NOT ABLE TO PROVIDE THE DATE WHEN (b)(6), (b)(7)(C) RECEIVED HIS CONTRACTORS BADGE, BUT SHE PROVIDED A COPY OF THE BADGE, ATTACHMENT (1) PERTAINS. (b)(6), (b)(7)(C) EXPLAINED SINCE (b)(6), (b)(7)(C) WAS A FORMER GOVERNMENT EMPLOYEE AT NOSC, HIS BIOGRAPHICAL/FILE INFORMATION WAS TRANSFERRED TO THE CONTRACTORS RECORD AND THE FILE WAS ONLY CONTINUED ON (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) RELATED (b)(6), (b)(7)(C) HAS A TOP SECRET CLEARANCE WHICH WAS RECEIVED AT NOSC ON 01APR88, FROM BOOZ-ALLEN AND HAMILTON, INC., VIA THE DEFENSE INVESTIGATIVE SERVICE.

ATTACHMENT

(1) NOSC BADGE INFORMATION ON (b)(6), (b)(7)(C) UNDATED

REPORTED BY: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 12OCT90

EXHIBIT (15)

WARNING

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Page 333 redacted for the following reason:

-----Page (333), Attachment (1): Referred to the Space and Naval Warfare Systems Command, Freedom of Information Act Office (Code 3.5), 4301 Pacific Highway, OT-4, San Diego, CA 92110-3127

U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

INVESTIGATIVE ACTION: INTERVIEW OF (b)(6), (b)(7)(C)

ON 11OCT90, (b)(6), (b)(7)(C) NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, TELEPHONE NUMBER (619) (b)(6), (b)(7)(C) WAS INTERVIEWED AT HER OFFICE BY REPORTING AGENT. (b)(6), (b)(7)(C) WAS ADVISED SHE WAS BEING INTERVIEWED REGARDING AN ON-GOING INVESTIGATION INVOLVING A FORMER NOSC EMPLOYEE IDENTIFIED AS (b)(6), (b)(7)(C) AND A CONTRACTOR IDENTIFIED AS BOOZ-ALLEN AND HAMILTON, INC., BETHESDA, MD.

(b)(6), (b)(7)(C) RECALLED HER OFFICE HAD A WHOLE FILE ON (b)(6), (b)(7)(C) BUT SHE BELIEVES SINCE IT HAS BEEN OVER TWO AND A HALF YEARS WHEN (b)(6), (b)(7)(C) APPROACHED HER, THE FILE RETAINED AT NOSC HAS BEEN DESTROYED. SHE RECALLED (b)(6), (b)(7)(C) BECAUSE HE WAS A DEPARTMENT HEAD AT NOSC AND HE INDICATED HE WAS GOING TO RETIRE FROM GOVERNMENT SERVICE AND SEEK OUTSIDE EMPLOYMENT WITH A DEPARTMENT OF DEFENSE (DOD) CONTRACTOR.

(b)(6), (b)(7)(C) ADVISED THERE WERE NO STATUTES PROHIBITING (b)(6), (b)(7)(C) FROM BEING EMPLOYED WITH A CONTRACTOR AS LONG AS HE DID TECHNICAL WORK FOR THE COMPANY AND DIDN'T ENGAGE IN ANY REPRESENTATIONAL ASPECTS BETWEEN THE GOVERNMENT AND THE CONTRACTOR. (b)(6), (b)(7)(C) SAID (b)(6), (b)(7)(C) TOLD HER HE WAS ATTEMPTING TO GAIN EMPLOYMENT WITH BOOZ-ALLEN AND HAMILTON, INC., AND HE WOULD BE DOING TECHNICAL WORK ON CONTRACT N68786-88-D-1621 (1621), A CONTRACT HE HAD WORKED ON AT NOSC. (b)(6), (b)(7)(C) SAID (b)(6), (b)(7)(C) DIDN'T INDICATE WHAT HIS TITLE WOULD BE AT THE COMPANY. SHE ALSO RECALLED

(b)(6), (b)(7)(C) AND HER DISCUSSED WRITTEN AND ORAL COMMUNICATIONS IN A REPRESENTATIONAL ASPECT BETWEEN BOOZ-ALLEN AND HAMILTON, INC., AND THE U. S. GOVERNMENT WHICH SHE SPECIFICALLY TOLD HIM HE COULDN'T DO. SHE ADVISED HIM NOT TO SIGN ANY DOCUMENTATION AT BOOZ-ALLEN AND HAMILTON, INC., ASKING THE GOVERNMENT FOR ANY MONEY IN THE FORM OF CLAIMS.

(b)(6), (b)(7)(C) SAID SHE WILL SWEAR (b)(6), (b)(7)(C) AND HER DISCUSSED TITLE 18, U.S. CODE 207, DISQUALIFICATION OF FORMER OFFICERS AND EMPLOYEES; DISQUALIFICATION OF PARTNERS OF CURRENT OFFICERS AND EMPLOYEES.

(b)(6), (b)(7)(C) ADVISED (b)(6), (b)(7)(C) HAD TO WRITE A STATEMENT EXPLAINING WHAT HIS DUTIES WERE AT NOSC, HOW MANY YEARS HE PERFORMED THOSE DUTIES AND WHAT HE WAS GOING TO DO AT BOOZ-ALLEN AND HAMILTON, INC. (b)(6), (b)(7)(C) PROVIDED A COPY OF AN UNSIGNED MEMORANDUM SHE PROVIDED TO (b)(6), (b)(7)(C) ATTACHMENT (1) PERTAINS, PERMITTING (b)(6), (b)(7)(C) TO SEEK EMPLOYMENT FROM THE LISTED DOD CONTRACTORS. (b)(6), (b)(7)(C) SAID THERE WAS ALSO AN ENCLOSURE TO THE MEMORANDUM WHICH WAS A QUESTIONNAIRE HE COMPLETED TO ASSIST LEGAL COUNSEL IN ADDRESSING HIS INTENTIONS OF SEEKING EMPLOYMENT WITH A DOD CONTRACTOR. (b)(6), (b)(7)(C) PROVIDED A BLANK QUESTIONNAIRE WHICH CONTAINS FOURTEEN QUESTIONS, ATTACHMENT (2) PERTAINS. (b)(6), (b)(7)(C) SAID THE SPACE AND NAVAL WARFARE SYSTEMS COMMAND (SPAWAR), WASHINGTON, DC, SHOULD HAVE (b)(6), (b)(7)(C) FILE REGARDING THIS MATTER.

EXHIBIT (16)

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U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4CNA/T

(b)(6), (b)(7)(C) RELATED (b)(6), (b)(7)(C) THROUGH BOOZ-ALLEN AND HAMILTON, INC., HAS TO FILE A FORM 1787, WHICH REPORTS A FORMER U. S. GOVERNMENT EMPLOYEES WORK FOR A DOD CONTRACTOR. SHE ADVISED THE REPORT IS SUPPOSE TO BE FILED ANNUALLY FOR TWO YEARS FOLLOWING THE EMPLOYEES ACCEPTANCE OF WORK WITH THE CONTRACTOR. SHE ADVISED THIS IS ACCORDING TO SECNAVINST 5370.2J. SHE ADDED, IT IS THE RESPONSIBILITY OF BOOZ-ALLEN AND HAMILTON, INC., TO FILE THE REPORT FOR (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) SAID THE REPORT IS SUPPOSE TO BE PROVIDED TO THE OFFICE OF THE GENERAL COUNSEL FOR THE DEPARTMENT OF THE U. S. NAVY, WASHINGTON, DC.

ATTACHMENTS

- (1) MEMORANDUM PROVIDED TO (b)(6), (b)(7)(C) BY NOSC/11NOV87
- (2) QUESTIONNAIRE OF EMPLOYMENT RESTRICTIONS ON CERTAIN FORMER DOD OFFICIALS/UNDATED

REPORTED BY: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 12OCT90

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Pages 336 through 344 redacted for the following reasons:

-----Pages (336) - (344), Attachments (1) - (2): Referred to the Space and Naval Warfare Systems Command, Freedom of Information Act Office (Code 3.5), 4301 Pacific Highway, OT-4, San Diego, CA 92110-3127

U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-46NA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW (b)(6), (b)(7)(C)

ON 08NOV90, (b)(6), (b)(7)(C) WAS INTERVIEWED AT HIS OFFICE AT THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, BY SPECIAL AGENT (b)(6), (b)(7)(C) WAS ADVISED HE WAS BEING INTERVIEWED TO CLARIFY INFORMATION HE PROVIDED ON A PREVIOUS INTERVIEW ON 11JUN90, REGARDING AN ONGOING INVESTIGATION CONCERNING A POSSIBLE CONFLICT OF INTEREST INVOLVING A FORMER NOSC EMPLOYEE IDENTIFIED AS (b)(6), (b)(7)(C) AND A CONTRACTOR IDENTIFIED AS C/BOOZ-ALLEN AND HAMILTON, INC., BETHESDA, MD.

AS BACKGROUND, (b)(6), (b)(7)(C) ADVISED HIS TITLE IS CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AT NOSC, SAN DIEGO, CA, AND HE HAS BEEN EMPLOYED AT NOSC SINCE JULY 1970. (b)(6), (b)(7)(C) REITERATED HE HAS BEEN THE COTR ON CONTRACT N68786-88-D-1621 (1621) SINCE 01MAR89.

(b)(6), (b)(7)(C) ADVISED PRIOR TO (b)(6), (b)(7)(C) RETIRING FROM NOSC AND GAINING EMPLOYMENT AT C/BOOZ-ALLEN AND HAMILTON, INC., HE HAD DAILY CONTACT WITH (b)(6), (b)(7)(C) AT NOSC, AS A GOVERNMENT EMPLOYEE. AFTER (b)(6), (b)(7)(C) GAINED EMPLOYMENT AT C/BOOZ-ALLEN AND HAMILTON, INC., (b)(6), (b)(7)(C) SAID HE MADE IT A POINT TO AVOID CONTACT WITH (b)(6), (b)(7)(C) BECAUSE OF A POSSIBLE CONFLICT OF INTEREST. (b)(6), (b)(7)(C) ADVISED NOW HE OCCASIONALLY WILL SEE (b)(6), (b)(7)(C) IN THE HALLWAY AT NOSC AND THEY ONLY EXCHANGE SALUTATIONS. (b)(6), (b)(7)(C) RELATED IF HE HAD TO DISCUSS A MATTER WITH (b)(6), (b)(7)(C) IT WOULD ONLY BE REGARDING A TECHNICAL MATTER, BUT HE NEVER HAS TO TALK TO HIM.

(b)(6), (b)(7)(C) RECALLED AS SOON AS HE BECAME THE COTR ON CONTRACT 1621, HE TOLD (b)(6), (b)(7)(C) HE DIDN'T WANT TO DISCUSS ANYTHING WITH HIM, BECAUSE OF THE POSSIBLE CONFLICT OF INTEREST. HE SAID HE TRIED TO KEEP A REASONABLE DISTANCE FROM (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) WAS SHOWN COPIES OF COMPANY DOCUMENTS SIGNED IN THE NAME OF (b)(6), (b)(7)(C) WHICH WERE OBTAINED DURING A REVIEW OF CONTRACT FILE 1621 AT NOSC. (b)(6), (b)(7)(C) INDICATED ALL (b)(6), (b)(7)(C) IS DOING IS SIGNING OFF ON COMPANY DOCUMENTS FOR PROGRESS CONDUCTED ON THE CONTRACT. (b)(6), (b)(7)(C) OPINED. IN HIS POINT OF VIEW (b)(6), (b)(7)(C) IS ACTING ON A FINE LINE BECAUSE (b)(6), (b)(7)(C) IS REPRESENTING THE COMPANY BY SIGNING OFF ON DOCUMENTS REPORTING THE PROGRESS COMPLETED ON THE CONTRACT. (b)(6), (b)(7)(C) GAVE AN EXAMPLE SUGGESTING IT'S LIKE (b)(6), (b)(7)(C) IS SIGNING FOR A "FEDERAL EXPRESS" PACKAGE IN BEHALF OF THE COMPANY.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

WARNING

EXHIBIT (17)

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U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC.
CCN: 25OCT89-20FW-0098-46NA/T

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

REPORTED BY:
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 08NOV90

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Pages 347 through 377 redacted for the following reasons:

-----Pages (347) - (377), Exhibit (18): Referred to the Space and Naval Warfare Systems Command, Freedom of Information Act Office (Code 3.5), 4301 Pacific Highway, OT-4, San Diego, 92110-3127

U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4GNA/T

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW (b)(6), (b)(7)(C)

ON 10DEC90, (b)(6), (b)(7)(C) WAS INTERVIEWED AT HIS OFFICE AT THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, BY SPECIAL AGENT (b)(6), (b)(7)(C) WAS TOLD HE WAS BEING INTERVIEWED CONCERNING A POSSIBLE CONFLICT OF INTEREST INVOLVING A FORMER NOSC EMPLOYEE IDENTIFIED AS (b)(6), (b)(7)(C) CURRENTLY EMPLOYED BY A CONTRACTOR IDENTIFIED AS BOOZ-ALLEN AND HAMILTON, INC., BETHESDA, MD.

AS BACKGROUND, (b)(6), (b)(7)(C) ADVISED HIS JOB TITLE IS ENGINEER AT NOSC, SAN DIEGO, CA AND HE HAS BEEN EMPLOYED AT NOSC SINCE MARCH 1985. (b)(6), (b)(7)(C) SAID HE HAS BEEN A U. S. GOVERNMENT EMPLOYEE FOR THE LAST FIFTEEN YEARS.

(b)(6), (b)(7)(C) SAID HE (b)(6), (b)(7)(C) WAS THE ORIGINAL CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) ON CONTRACT N68786-88-D-1621 (1621) AND ADVISED (b)(6), (b)(7)(C) WAS NEVER THE COTR ON THIS CONTRACT. HE SAID HE WAS THE COTR ON CONTRACT 1621, FORMERLY SOLICITATION N68786-87-R-3405 (3405) FROM JANUARY 1988 UNTIL FEBRUARY 1989. HE RELATED (b)(6), (b)(7)(C) IS THE CURRENT COTR ON CONTRACT 1621. (b)(6), (b)(7)(C) SAID HE DIDN'T WANT TO BE THE COTR ON ANY CONTRACTS AND THE ONLY REASON HE WAS THE COTR ON CONTRACT 1621 WAS BECAUSE (b)(6), (b)(7)(C) APPOINTED HIM. (b)(6), (b)(7)(C) SAID HE IS AN ENGINEER AND NOT A COTR. (b)(6), (b)(7)(C) ADVISED (b)(6), (b)(7)(C) WAS HIS SUPERVISOR AND (b)(6), (b)(7)(C) WAS THE BRANCH HEAD OF CODE 412, THE SHORE COMMAND CENTERS, NOSC, SAN DIEGO, CA.

(b)(6), (b)(7)(C) SAID HE WAS AWARE (b)(6), (b)(7)(C) HAD INTERVIEWED WITH SYSTEMS EXPLORATION, INC. (SEI), SAN DIEGO, CA, AND BOOZ-ALLEN AND HAMILTON, INC., FOR POSSIBLE EMPLOYMENT AFTER HE RETIRED. (b)(6), (b)(7)(C) ADVISED CONTRACT 1621 WOULD HAVE BEEN AWARDED TO BOOZ-ALLEN AND HAMILTON, INC., NO MATTER WHO (b)(6), (b)(7)(C) WENT TO WORK FOR BECAUSE BOOZ-ALLEN AND HAMILTON, INC., WAS THE BETTER CONTRACTOR. (b)(6), (b)(7)(C) SAID HE FELT THE TECHNICAL EVALUATION BOARD AND THE COST EVALUATION BOARD WERE FAIR.

(b)(6), (b)(7)(C) ADVISED HE DIDN'T DEAL WITH THE (b)(6), (b)(7)(C) THE ASSIGNED CONTRACTING OFFICER. WHEN (b)(6), (b)(7)(C) WAS THE COTR. (b)(6), (b)(7)(C) SAID HE DEALT WITH (b)(6), (b)(7)(C) THE ADMINISTRATIVE CONTRACTING OFFICER (ACO) AT THE PROGRAM OFFICE AT OAKLAND, CA. (b)(6), (b)(7)(C) ALSO SAID (b)(6), (b)(7)(C) WAS THE CHAIRMAN OF THE CONTRACT AWARD REVIEW PANEL (CARP) ON SOLICITATION 3405. (b)(6), (b)(7)(C) SAID (b)(6), (b)(7)(C) WOULD HAVE COMMUNICATED WITH (b)(6), (b)(7)(C) TO APPRISE HIM OF WHAT THE STATUS WAS ON THE CONTRACT.

(b)(6), (b)(7)(C) DESCRIBED (b)(6), (b)(7)(C) AS A NICE GUY WHO IS OUTGOING AND GREGARIOUS. HE SAID (b)(6), (b)(7)(C) AND HE GOT ALONG WELL AND THEY ONLY HAD A WORKING RELATIONSHIP. HE SAID THE ONLY SOCIALIZING THEY DID TOGETHER WAS WHEN THE GOVERNMENT PEOPLE FROM WASHINGTON, DC, CAME TO SAN DIEGO AND THEY WOULD ALL GO OUT TO DINNER. (b)(6), (b)(7)(C) SAID THIS HAPPENED ONLY RARELY.

EXHIBIT (19)

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U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-46NA/T

(b)(6), (b)(7)(C) SAID HE OCCASIONALLY WILL SEE (b)(6), (b)(7)(C) ONCE IN AWHILE AT NOSC SPACES, BECAUSE BOOZ-ALLEN AND HAMILTON, INC., IS DOING SOME WORK ON A PROJECT HIS CODE IS WORKING ON. (b)(6), (b)(7)(C) SAID HE NEVER SAW ANY INDICATIONS OF A CONFLICT OF INTEREST WHERE (b)(6), (b)(7)(C) MAY HAVE STEERED CONTRACT 1621 TO BOOZ-ALLEN AND HAMILTON, INC.

REPORTED BY: (b)(6), (b)(7)(C)
OFFICE: NISRFU SAN DIEGO, CA
DATE TYPED: 13DEC90

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

15NOV89

GENERAL PROCUREMENT (III)

CONTROL: 25OCT89-20FW-0098-4^cNAC/BOOZ-ALLEN AND HAMILTON, INC
BETHESDA, MD

COMMAND/COMNISCOM, WASHINGTON, DC/63285

MADE AT/20FW/RFU WASHINGTON, DC/ [REDACTED] SPECIAL AGENT

REFERENCE

(A) PHONECON BETWEEN SA [REDACTED] (20FW) AND SA [REDACTED] 12FB)/
09NOV89

SPECIAL HANDLING: DUE TO THE SENSITIVITY OF THE ISSUES INVOLVED, THIS INVESTIGATION SHOULD NOT BE DISSEMINATED OUTSIDE OF NIS CHANNELS.

SYNOPSIS

1. INVESTIGATION INITIATED UPON RECEIPT OF INFORMATION FROM THE NAVAL AUDIT SERVICE (NAS), WHICH INDICATED THAT SUBJECT COMPANY WAS AWARDED A CLASSIFIED CONTRACT FOR C3I SYSTEMS ENGINEERING RESEARCH AND ANALYSIS (#88-D-1621...FORMERLY SOLICITATION 87-R-3405), SUPPORTING NAVAL OCEAN SYSTEMS COMMAND (NOSC), SAN DIEGO, CA. UPON IN-DEPTH AUDIT REVIEW, INDICATIONS WERE FOUND THAT THE GOVERNMENT CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR), [REDACTED] AND HIS ASSISTANT, [REDACTED] POSSIBLY STACKED THE TECHNICAL EVALUATION BOARD AND COST EVALUATION BOARD IN FAVOR OF SUBJECT COMPANY. [REDACTED] SUBSEQUENTLY WENT TO WORK FOR SUBJECT COMPANY IN A POSSIBLE CONFLICT OF INTEREST STATUS. AFTER [REDACTED] LEFT, EVENTS OCCURED WHICH INDICATE [REDACTED] CONTINUED TO PURSUE A SECOND BEST AND FINAL OFFER, WHICH ALLOWED THE AWARD OF AN 11 MILLION DOLLAR CONTRACT TO SUBJECT COMPANY. INVESTIGATION IS FOCUSING ON THE POSSIBILITY THAT THE CONTRACTING PROCESS MAY HAVE BEEN IMPROPERLY MANIPULATED BY EITHER [REDACTED] IN EXCHANGE FOR POSITIONS WITHIN SUBJECT COMPANY, OR GRATUITIES THEREOF.

2. PER NISCOMHQ, CODE 0023AP, REQUEST THIS LEAD BE CONDUCTED BY NIS SPECIAL AGENT [REDACTED] NIS REGIONAL FRAUD UNIT (NISRFU) OAKLAND, CA., AND FUTURE LEADS TO NISRFU, SAN DIEGO, CA BE RECEIVED BY NIS SPECIAL AGENT [REDACTED]

3. AS DISCUSSED IN REFERENCE (A), EXHIBITS (1) AND (2) SUMMARIZE THE COMPLEXITY OF THE ISSUES INVOLVED, AND THE CIRCUMSTANCES SURROUNDING THE AWARD OF THE CONTRACT TO SUBJECT COMPANY. IN ANTICIPATION OF FURTHER INVESTIGATION AND APPROPRIATE DISTRIBUTION OF LEADS, CONTACT SHOULD BE MADE WITH COGNIZANT PROGRAM CONTRACT OFFICIALS/SECURITY PERSONNEL UNDER THIS CONTRACT, OAKLAND, CA., IN ORDER TO OBTAIN PERTINENT IDENTIFYING DATA, SPECIFIC LOCATIONS, ADDRESSES, AND PHONE NUMBERS FOR THE FOLLOWING INDIVIDUALS:

[REDACTED]

CURRENT COTR, NOSC, SAN DIEGO, CA.

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PAGE 1

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F13-1073 000380
25OCT89-20FW-0098-4GNA

15NOV89

23AP

U.S. NAVAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C)

EX-CONTRACTING OFFICER, LOCATION UNKNOWN.

(b)(6), (b)(7)(C)

FORMER CHAIRMAN OF THE CONTRACT AWARD REVIEW PANEL,
LOCATION UNKNOWN.

(b)(6), (b)(7)(C)

FORMER TEB CHAIRMAN, COTR, NOSC, SAN DIEGO, CA.

(b)(6), (b)(7)(C)

EX-COTR, CURRENT SUBJ-COMPANY EMPLOYEE, SAN DIEGO, CA.

(b)(6), (b)(7)(C)

FORMER TEB MEMBER, NOSC, SAN DIEGO, CA.

FORMER TEB MEMBER, NOSC, SAN DIEGO, CA.

(b)(6), (b)(7)(C)

FORMER TEB MEMBER, NOSC, SAN DIEGO, CA.

(b)(6), (b)(7)(C)

CURRENT CONTRACTING OFFICER, PROGRAM OFFICE,

OAKLAND, CA.

(b)(6), (b)(7)(C)

LEGAL COUNSEL, PROGRAM OFFICE, OAKLAND, CA.

4. ONLY BASIC INFORMATION IN PARA (3) IS NEEDED AT THIS TIME.
ADDITIONAL LEADS AND FURTHER INFORMATION WILL BE FORWARDED AS
APPROPRIATE.

EXHIBITS

- (1) IA: INITIAL ALLEGATIONS/25OCT89...(COPY 11FD/12FB ONLY)
(2) IA: SUMMARY OF NAS REVIEW/13NOV89...(COPY 11FD/12FB ONLY)

ACTION/LEAD

A.12FB...FORAC PARA (3).

DISTRIBUTION

NISCOMHQ: 0023

NISRO: 20HQ

ACTION: 12FB (ATTN: SA (b)(6), (b)(7)(C) (M) ✓

INFO: 0023AP (M)/12HQ/11HQ/11FD (ATTN: SA (b)(6), (b)(7)(C) (M) ✓

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PAGE 2 LAST

(b)(6), (b)(7)(C)

F13-1073 000381

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039468 17:10 02/05/90 IN:FD #0990 OUT:0023 #0760
U.S. NAVAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C)

ACTION/LEAD SHEET (PENDING)

05FEB90

GENERAL PROCUREMENT (III)

CONTROL: 25OCT89-20FW-0098-4^cNA/T

C/BOOZ-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM, WASHINGTON, DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) 20FW ROI/02FEB90

SYNOPSIS

1. REF (A) TRANSFERRED CASE TO 11FD.

ACTION/LEAD

I.DIST...CASE CONTROL ASSUMED BY 11FD

DISTRIBUTION

NISCOMHQ: 0023

NISRO: 11FD

INFO: 20HQ/20FW/11HQ/0023AP

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PAGE 1 F13-1078-00038 (b)(6), (b)(7)(C)

ACTION/LEAD SHEET (PENDING)

12APR90

GENERAL PROCUREMENT (III)

CONTROL: 250CT89-20FW-0098-4^eNA/T

C/BOOZ-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM WASHINGTON, DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) 11FD ISR/02FEB90

SYNOPSIS

1. REF (A), REPORTS INVESTIGATION WAS INITIATED AFTER RECEIPT OF INFORMATION FROM THE NAVAL AUDIT SERVICE (NAS), WHICH INDICATED SUBJ COMPANY WAS AWARDED CONTRACT N68786-87-R-3405 (3405), A CLASSIFIED CONTRACT FOR C3I SYSTEMS ENGINEERING RESEARCH ANALYSIS, SUPPORTING THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. THE AWARD OF THE CONTRACT WAS \$11 MILLION. THE AUDIT BY NAS REVEALED IRREGULARITIES INDICATING THE GOVERNMENT CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) IDENTIFIED AS (b)(6), (b)(7)(C) AND HIS ASSISTANT POSSIBLY "STACKED" THE TECHNICAL EVALUATION BOARD AND COST EVALUATION BOARD IN FAVOR OF SUBJ COMPANY. (b)(6), (b)(7)(C) RETIRED FROM NOSC AND SUBSEQUENTLY GAINED EMPLOYMENT AT SUBJ COMPANY.

ACTION/LEAD

L.03SL...REVIEW THE PERSONNEL FILE OF (b)(6), (b)(7)(C) AT THE CIVILIAN PERSONNEL RECORDS CENTER (CPR), ST. LOUIS, MO, TO OBTAIN BIOGRAPHICAL DATA FOR IDENTIFICATION PURPOSES AND TO DETERMINE WHAT (b)(6), (b)(7)(C) JOB TITLE WAS AT NOSC. ALSO, RECORD THE DATE (b)(6), (b)(7)(C) RETIRED FROM NOSC AND HIS LAST KNOWN RESIDENCE.

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NISRO: 11FD
ACTION: 03SL
INFO: 11HQ/0023AP/03HQ

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PAGE F13-1078 000383 (b)(6), (b)(7)(C)

U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

19APR90

GENERAL PROCUREMENT (III)

CONTROL: 25OCT89-20FW-0098-4^cNA/T

C/SO02-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM WASHINGTON, DC/63285

MADE AT/U3SL/NISRA ST LOUIS, MISSOURI (b)(6), (b)(7)(C) INVESTIGATOR

REFERENCE

(A) 11FD ALS/12APR90

SYNOPSIS

1. REFERENCE (A) REQUESTED THE OFFICIAL PERSONNEL FILE (OPF) FOR A
(b)(6), (b)(7)(C) BE REVIEWED AT THE CIVILIAN PERSONNEL RECORDS CENTER
(CPR), ST LOUIS, MISSOURI; HOWEVER, FAILED TO PROVIDE ANY IDENTIFYING
DATA, SPECIFICALLY SOCIAL SECURITY NUMBER (SSN). IN ORDER TO REQUEST
AN OPF FROM CPR, SSN IS MANDATORY AND DATE OF BIRTH IS HELPFUL.

ACTION/LEAD

L.11FD. . PROVIDE NECESSARY DATA SO THAT LEAD MAY BE ACCOMPLISHED.

DISTRIBUTION

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NISRO: 11FD

ACTION: 11FD

INFO: 03RQ/11HQ

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

03MAY90

GENERAL PROCUREMENT (III)

CONTROL: 250CT89-20FW-0098-4^CNA/T

C/BOOZ-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM WASHINGTON, DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCES

(A) 03SL ALS/19APR90

(B) 11FD ALS/12APR90

SYNOPSIS

1. INQUIRIES AT THE NAVAL OCEAN SYSTEMS CENTER (NOSC) SAN DIEGO, CA,
PRODUCED ADDITIONAL BIOGRAPHICAL DATA FOR (b)(6), (b)(7)(C)

NAME:

SSN:

DOB:

POB:

(b)(6), (b)(7)(C)

ACTION/LEAD

L.03SL...ACCOMPLISH LEAD UTILIZING THE ABOVE MENTIONED INFORMATION.

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INFO: 03HQ

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (RUC)

18MAY90

GENERAL PROCUREMENT (III)

CONTROL: 25OCT89-20FW-0098-4^CNA/TC/BOOZ-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM WASHINGTON, DC/63285

MADE AT/O3SL/NISRA ST LOUIS, MISSOURI (b)(6), (b)(7)(C) INVESTIGATOR

SYNOPSIS

1. FILES OF THE CIVILIAN PERSONNEL RECORDS CENTER (CPR), ST LOUIS, MISSOURI, WERE QUERIED REGARDING (b)(6), (b)(7)(C) SSN: (b)(6), (b)(7)(C) SURFACING AN OFFICIAL PERSONNEL FOLDER. UPON ACQUISITION AND REVIEW OF SAME, IT WAS DETERMINED (b)(6), (b)(7)(C) VOLUNTARILY RETIRED, 31 JANUARY 1988, AS A SUPERVISOR, FROM THE COMMAND AND CONTROL DEPARTMENT, SYSTEMS ENGINEERING AND EVAL DIVISION, THREAT SYSTEMS BRANCH, NAVAL OCEAN SYSTEMS CENTER, SAN DIEGO, CALIFORNIA. HIS FORWARDING ADDRESS WAS LISTED AS (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) COPIES OF PERTINENT EXTRACTS ARE INCLUDED AS EXHIBIT (1) TO THIS REPORT.

EXHIBIT

(1) COPIES PERTINENT EXTRACTS/VARIOUS. . . (11FD ONLY)

ACTION/LEAD

A.11FD. . . APPRISE REQUESTER.

DISTRIBUTION

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NISRO: 11FD (M)
ACTION: 11FD (M)
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U.S. NAVAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C)

ACTION/LEAD SHEET (PENDING)

02AUG90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM, WASHINGTON, DC/63285

MADE AT/12FB/OAKLAND, CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 11FD ISR/31JUL90

CASE SUMMARY

1. COMPLETION OF LEAD SET FORTH IN REFERENCE (A) WILL BE CONDUCTED AFTER EXHIBITS ARE RECEIVED.

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(b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

13AUG90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC.
BETHESDA, MD

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/12FB/OAKLAND, CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 11FD ISR/31JUL90

CASE SUMMARY:

1. PURSUANT TO TASKING SET FORTH IN REFERENCE (A), ATTEMPTS TO CONTACT (b)(6), (b)(7)(C) TELEPHONICALLY AT (b)(6), (b)(7)(C) HAVE BEEN INITIATED IN AN EFFORT TO ARRANGE AN INTERVIEW. ALTERNATIVE METHODS TO CONTACT (b)(6), (b)(7)(C) WILL BE UTILIZED IN TWO WORKING DAYS IF ADDITIONAL TELEPHONIC ATTEMPTS ARE UNSUCCESSFUL. COMPLETION OF LEAD IS PENDING CONTACTING AND SUBSEQUENTLY INTERVIEWING (b)(6), (b)(7)(C)

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(b)(6), (b)(7)(C)

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(b)(6), (b)(7)(C)

23

U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

16AUG90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/12FL/FALLON NV/

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 11FD ISR/31 JUL 90

CASE SUMMARY

1. TASKING SET FORTH IN REF (A), TO INTERVIEW (b)(6), (b)(7)(C) A FORMER EMPLOYEE OF NAVAL OCEAN SYSTEMS CENTER, SAN DIEGO, CA., IS SCHEDULED TO TAKE PLACE ON 21 AUG 90, AT THE SIERRA ARMY DEPOT, HERLONG, CA., WHERE HE IS CURRENTLY WORKING AS A COMPUTER SYSTEMS OPERATOR.

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (RUC)

21AUG90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM, WASHINGTON, DC/63285

MADE AT/12FB/OAKLAND, CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 11FD ISR/31JUL90

CASE SUMMARY

1. IN ACCORDANCE WITH LEAD TASKING SET FORTH IN REFERENCE (A), (b)(6), (b)(7)(C) WAS INTERVIEWED. RESULTS OF INTERVIEW IS EXHIBIT (1). (b)(6), (b)(7)(C) CONFIRMED HE WAS THE (b)(6), (b)(7)(C) ON CONTRACT #N68786-88-D-1621. HE ADVISED THAT (b)(6), (b)(7)(C) HAD KNOWLEDGE OF BID AND COST INFORMATION PRIOR TO HIS EMPLOYMENT WITH C/BOOZ-ALLEN AND HAMILTON, INC. (b)(6), (b)(7)(C) ADVISED THAT (b)(6), (b)(7)(C) WAS ALLOWED TO BE A MEMBER OF THE COST EVALUATION BOARD (CEB) BECAUSE HE WAS NOT AN "OFFICIAL" MEMBER OF THE TECHNICAL EVALUATION BOARD (TEB). THERE IS NO REGULATION SPECIFICALLY PROHIBITING (b)(6), (b)(7)(C) FROM REVIEWING THE TEB SCORES. (b)(6), (b)(7)(C) ADVISED THAT IN HIS OPINION SOME OF THE TEB MEMBERS WERE NOT QUALIFIED TO SCORE THE BIDS. FOR THAT REASON (b)(6), (b)(7)(C) REPLACED SOME OF THE TEB MEMBERS. (b)(6), (b)(7)(C) DID NOT USE (b)(6), (b)(7)(C) SCORES BECAUSE (b)(6), (b)(7)(C) WAS NOT A MEMBER OF THE TEB. (b)(6), (b)(7)(C) ALSO ADVISED HE DID NOT RELY SOLELY ON TEB CHAIRMAN, (b)(6), (b)(7)(C)'S MEMO. HOWEVER, THE MEMO DEFINITELY WAS A BASIS FOR HIS DECISION. THE ACTUAL TEB SCORES USED BY (b)(6), (b)(7)(C) FOR THE CONTRACT AWARD ARE DELINEATED IN THE "BUSINESS CLEARANCE".

EXHIBIT

(1) IA: RESULTS OF INTERVIEW WITH TWO ENCLOSURES/15AUG90...
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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (RUC)

24 AUG 90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/12FL/FALLON NV

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 11FD ISR/31 JUL 90

CASE SUMMARY

1. PURSUANT TO TASKING SET FORTH VIA REF (A), (b)(6), (b)(7)(C) A FORMER EMPLOYEE OF NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA., WAS INTERVIEWED ON 21 AUG 90. (b)(6), (b)(7)(C) WAS ABLE TO PROVIDE SUBSTANTIAL BACKGROUND INFORMATION AND WORK HISTORY INFORMATION ON HIMSELF TO HELP ESTABLISH HIS QUALIFICATIONS FOR BEING CHOSEN TO PARTICIPATE ON THE TECHNICAL EVALUATION BOARD (TEB) FOR RFP N68786-87-R-3405. IT WAS HIS OPINION THAT THE LEAST QUALIFIED PERSON ON THE TEB WAS THE CHAIRMAN, (b)(6), (b)(7)(C) ADVISED THAT HE HAD NO KNOWLEDGE OF ANY CONFLICTS OF INTEREST BETWEEN ANY NOSC EMPLOYEES AND CONTRACTORS. HE RECALLED THAT BOTH COMPANIES THAT SUBMITTED PROPOSALS WERE TECHNICALLY QUALIFIED AND COST WAS TO BE THE FINAL DETERMINATION AS TO WHO WAS AWARDED THE CONTRACT. (b)(6), (b)(7)(C) ADVISED THAT HE LEFT PRIOR TO CONTRACT. ADDITIONAL DETAILS ARE PROVIDED IN THE APPENDED RESULTS OF INTERVIEW, EXHIBIT (1) PERTAINS.

EXHIBIT

(1) IA: RESULTS OF INTERVIEW WITH (b)(6), (b)(7)(C) 21AUG90...(12FD ONLY)

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

15OCT90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) 11FD ISR/01OCT90

CASE SUMMARY

1. INVESTIGATION WAS INITIATED AFTER RECEIPT OF INFORMATION FROM THE NAVAL AUDIT SERVICE (NAS) WHICH INDICATED C/BOOZ-ALLEN AND HAMILTON, INC. (BOOZ-ALLEN), WAS AWARDED CONTRACT N68786-88-D-1621 (1621), FORMERLY SOLICITATION N68786-87-R-3405 (3405), A CLASSIFIED CONTRACT FOR THE C3I SYSTEMS ENGINEERING RESEARCH ANALYSIS FOR THE NAVAL COEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. THE AWARD OF THE CONTRACT WAS \$11 MILLION DOLLARS. THE AUDIT BY NAS REVEALED IRREGULARITIES INDICATING THE GOVERNMENT'S CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AND HIS ASSISTANT POSSIBLY "STACKED" THE TECHNICAL EVALUATION BOARD (TEB) AND THE COST EVALUATION BOARD (CEB) IN FAVOR OF C/BOOZ-ALLEN. THE COTR, IDENTIFIED AS (b)(6), (b)(7)(C) RETIRED FROM NOSC IN JAN88 AND SUBSEQUENTLY GAINED EMPLOYMENT AT C/BOOZ-ALLEN WITH THE TITLE OF "PRINCIPAL". PRIOR TO (b)(6), (b)(7)(C) RETIREMENT FROM NOSC, HE INFORMED AND SOUGHT LEGAL ADVICE FROM NOSC LEGAL PERSONNEL. (b)(6), (b)(7)(C) INFORMED NOSC LEGAL COUNSEL HE INTENDED TO GAIN EMPLOYMENT AT C/BOOZ-ALLEN IN A TECHNICAL ROLE VICE REPRESENTATIONAL POSITION. INTERVIEWS OF CURRENT/FORMER EMPLOYEES AT NOSC AND THE REVIEW OF THE CONTRACT FILE INDICATE (b)(6), (b)(7)(C) IS IN A REPRESENTATIONAL POSITION AT C/BOOZ-ALLEN AND WORKING ON CONTRACT 1621. INTERVIEWS OF NOSC LEGAL PERSONNEL INDICATE THE FILE ON (b)(6), (b)(7)(C) REGARDING THIS MATTER HAS BEEN PURGED BUT THE SPACE AND NAVAL WARFARE SYSTEMS COMMAND (SPAWAR), WASHINGTON, DC, SHOULD HAVE A COPY OF THE FILE ON (b)(6), (b)(7)(C)

ACTION/LEAD

L.20FW...CONTACT EITHER (b)(6), (b)(7)(C) LEGAL COUNSEL, SPAWAR, 2511 JEFFERSON DAVIS HIGHWAY, CRYSTAL CITY, VA, TELEPHONE NUMBER: (b)(6), (b)(7)(C) AND OBTAIN A COPY OF THE FILE ON (b)(6), (b)(7)(C) RELATING TO THE ABOVE-MENTIONED INFORMATION.

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ACTION: 20FW

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

01NOV90

CONFLICT ON INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC

BETHESDA, MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON, DC/63285

MADE AT/20FW/RFU WASHINGTON, DC

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 11FD ALS/15OCT90

CASE SUMMARY

1. IN RESPONSE TO REFERENCE (A), CONTACT WAS MADE WITH SPAWARSSYSCOM
LEGAL OFFICE, WHO ADVISED THAT BOTH (b)(6), (b)(7)(C)
WERE ON TRAVEL UNTIL THE WEEK OF 29OCT90. NO OTHER INDIVIDUAL WAS
AWARE OF RECORDS ON FILE FOR (b)(6), (b)(7)(C) CONTACT WILL BE MADE WITH
(b)(6), (b)(7)(C) UPON THEIR RETURN.

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NISCOMHQ: 0023

NISRO: 11HQ

INFO: 20HQ/11FD

07 NOV 1990

(b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (RUC)

19 NOV 1990
09NOV90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON, INC
BETHESDA, MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON, DC/63285

MADE AT/20FW/RFU, WASHINGTON, DC

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 11FD ALS/15OCT90

CASE SUMMARY

1. IN RESPONSE TO REFERENCE (A), EXHIBIT (1) WAS OBTAINED ON 30OCT90 FROM LEGAL COUNSEL OFFICE FILES, SPACE AND NAVAL WARFARE SYSTEMS COMMAND, WASHINGTON, DC. EXHIBIT (1) IS A COMPLETE COPY OF ALL DOCUMENTS REPORTED TO BE IN THE FILE OF

(b)(6), (b)(7)(C)

EXHIBIT

(1) SPAWAR FILE ON (b)(6), (b)(7)(C) (ORIG 11FD ONLY)

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U.S. NAVAL INVESTIGATIVE SERVICE

28 NOV 1990

INVESTIGATIVE SUMMARY REPORT (PENDING)

26NOV90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) NISRFU SAN DIEGO ISR/31OCT90

CAST SUMMARY

1. CONTINUATION OF THIS INVESTIGATION REPORTS THE REINTERVIEW OF (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) CURRENT CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) FOR CONTRACT N68786-88-D-1621 (1621), NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. (b)(6), (b)(7)(C) STIPULATED AFTER (b)(6), (b)(7)(C) GAINED EMPLOYMENT AT C/BOOZ-ALLEN AND HAMILTON, INC. (BOOZ-ALLEN), (b)(6), (b)(7)(C) MADE IT A POINT TO AVOID CONTACT WITH (b)(6), (b)(7)(C) BECAUSE OF A POSSIBLE CONFLICT OF INTEREST. (b)(6), (b)(7)(C) RELATED THERE ARE TIMES HE WILL SEE (b)(6), (b)(7)(C) AT NOSC AND THEY ONLY EXCHANGE SALUTATIONS. (b)(6), (b)(7)(C) ADVISED SINCE (b)(6), (b)(7)(C) HAS BEEN EMPLOYED BY C/BOOZ-ALLEN, HE HAS NEVER HAD TO DISCUSS ANYTHING WITH (b)(6), (b)(7)(C) IN A TECHNICAL OR REPRESENTATIONAL MATTER ON CONTRACT 1621. INVESTIGATION IS PENDING THE RECEIPT OF A LEGAL FILE FROM NISRFU WASHINGTON REGARDING (b)(6), (b)(7)(C) INFORMING THE NAVAL WARFARE SYSTEMS COMMAND (SPAWAR), WASHINGTON, DC, OF HIS INTENTION OF RETIRING FROM NOSC AND GAINING EMPLOYMENT WITH A GOVERNMENT CONTRACTOR DURING CIRCA SEP87.

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INFO: 11HQ/20HQ/20FW/0023AP

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02 NOV 1990

(b)(6), (b)(7)(C)

U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

31OCT90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) NISRFU SAN DIEGO ISR/01OCT90

CASE SUMMARY

1. CONTINUATION OF INVESTIGATION REPORTS THE INTERVIEW OF LEGAL COUNSEL AT THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, WHO REPORTED (b)(6), (b)(7)(C) SOUGHT LEGAL ADVICE FROM NOSC BECAUSE HE INFORMED THEM HE WAS GOING TO RETIRE FROM GOVERNMENT SERVICE AND GAIN EMPLOYMENT AT C/BOOZ-ALLEN AND HAMILTON, INC., IN A TECHNICAL VICE REPRESENTATIONAL ROLE AT THE COMPANY. INVESTIGATION ALSO REPORTS THE INTERVIEW OF A SUPERVISOR AT THE DEFENSE CONTRACT AUDIT AGENCY (DCAA), WHO ADVISED DCAA NEVER CONDUCTED A RATE CHECK FOR THE NAVAL REGIONAL CONTRACTING CENTER BRANCH (NRCCB), OAKLAND, CA, ON SYSTEMS EXPLORATION, INC. (SEI), SAN DIEGO, CA, OR C/BOOZ-ALLEN AND HAMILTON, INC., FOR CONTRACT N68786-88-D-1621. INVESTIGATION IS PENDING THE COMPLETION OF LEAD BY NISRFU WASHINGTON, DC, AND ADDITIONAL INQUIRIES AT NOSC, SAN DIEGO, CA.

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(b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C)

INVESTIGATIVE SUMMARY REPORT (PENDING)

010CT90

CONFLICT OF INTEREST (II)

CONTROL: 250CT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) NISRFU SAN DIEGO ISR/30AUG90

CASE SUMMARY

1. CONTINUATION OF INVESTIGATION REPORTS THE INTERVIEW OF A FORMER EMPLOYEE OF THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, IDENTIFIED AS (b)(6), (b)(7)(C) WHO PARTICIPATED ON THE TECHNICAL EVALUATION BOARD (TEB) FOR SOLICITATION N68786-87-R-3405 (3405).

(b)(6), (b)(7)(C) OPINED THE LEAST QUALIFIED PERSON ON THE TEB WAS THE CHAIRMAN, (b)(6), (b)(7)(C) ALSO SAID HE HAD NO KNOWLEDGE OF ANY CONFLICTS OF INTEREST BETWEEN ANY NOSC EMPLOYEES AND CONTRACTORS. (b)(6), (b)(7)(C) SAID HE LEFT NOSC PRIOR TO AWARD OF CONTRACT N68786-88-D-1621 (1621). CONTRACT 1621 WAS REVIEWED AND SEVERAL COPIES OF C/BOOZ-ALLEN AND HAMILTON, INC., DOCUMENTS WERE OBTAINED IDENTIFYING (b)(6), (b)(7)(C) AS THE COMPANY "PRINCIPAL" OF CONTRACT 1621. INVESTIGATION IS PENDING LIAISON WITH NOSC LEGAL REPRESENTATIVES AND THE SUBSEQUENT INTERVIEWS OF (b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

30AUG90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) NISRFU SAN DIEGO ISR/31JUL90

SPECIAL HANDLING: DUE TO THE SENSITIVITY OF THE ISSUES INVOLVED, THIS INVESTIGATION SHOULD NOT BE DISSEMINATED OUTSIDE OF NIS CHANNELS.

CASE SUMMARY

1. CONTINUATION OF INVESTIGATION REPORTS THE INTERVIEW OF ONE WITNESS, IDENTIFIED AS (b)(6), (b)(7)(C) A MEMBER OF THE TECHNICAL EVALUATION BOARD (TEB) FOR CONTRACT N68786-88-D-1621 (1621), FORMERLY SOLICITATION N68786-87-R-3405 (3405). (b)(6), (b)(7)(C) PROVIDED BACKGROUND INFORMATION AND WORK HISTORY INFORMATION TO ESTABLISH HIS QUALIFICATIONS FOR BEING CHOSEN TO PARTICIPATE ON THE TEB. (b)(6), (b)(7)(C) FELT (b)(6), (b)(7)(C) CHAIRMAN OF THE TEB, WAS THE LEAST QUALIFIED OF ALL THE MEMBERS. (b)(6), (b)(7)(C) WAS UNAWARE OF ANY CONFLICT OF INTEREST. ALSO INTERVIEWED WAS THE FORMER PRINCIPAL CONTRACTING OFFICER, IDENTIFIED AS (b)(6), (b)(7)(C) ON CONTRACTS 1621 AND 3405. (b)(6), (b)(7)(C) SAID SOME OF THE TEB MEMBERS FAILED TO COMPLETE PORTIONS OF THEIR TECHNICAL EVALUATION SO HE DISALLOWED THOSE SCORES IN HIS EVALUATION. (b)(6), (b)(7)(C) FELT, BASED ON SCORES FROM THE TEB, THE COST EVALUATION BOARD (CEB) AND THE BEST AND FINAL OFFERS, THERE WERE TOO MANY INCONSISTENCIES AND HE WANTED TO DO THE WHOLE THING OVER AGAIN, BUT THE CONTRACT WAS BEHIND SCHEDULE AND HE FELT C/BOOZ-ALLEN AND HAMILTON WAS TECHNICALLY SUPERIOR OVER SYSTEMS EXPLORATION, INC., SAN DIEGO, CA. (b)(6), (b)(7)(C) ADVISED HE WAS CONCERNED (b)(6), (b)(7)(C) THE FORMER CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR), NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA, WAS SEEKING EMPLOYMENT AT C/BOOZ-ALLEN AND HAMILTON. (b)(6), (b)(7)(C) SAID HE DID NOT KNOW (b)(6), (b)(7)(C) HAD AN EMPLOYMENT APPLICATION AT C/BOOZ-ALLEN AND HAMILTON UNTIL AFTER THE CONTRACT WAS AWARDED. (b)(6), (b)(7)(C) SAID HE PERSONALLY TELEPHONED REPRESENTATIVES AT C/BOOZ-ALLEN AND HAMILTON AND WAS ASSURED BURRIS WOULD NOT BE INVOLVED WITH THIS CONTRACT. (b)(6), (b)(7)(C) SAID HE WAS SURPRISED TO HEAR (b)(6), (b)(7)(C) IS THE PROGRAM MANAGER ON CONTRACT 1621. INVESTIGATION IS PENDING THE REVIEW OF CONTRACTS 1621 AND 3405 AND THE SUBSEQUENT INTERVIEWS OF (b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C)

INVESTIGATIVE SUMMARY REPORT (PENDING)

31 JUL 90

CONFLICT OF INTEREST (II)

CONTROL: 250CT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) NISRFU SAN DIEGO ISR/01JUN90

CASE SUMMARY

1. INVESTIGATION WAS INITIATED AFTER RECEIPT OF INFORMATION FROM THE NAVAL AUDIT SERVICE (NAS) WHICH INDICATED C/BOOZ-ALLEN AND HAMILTON, INC., WAS AWARDED CONTRACT N68786-D-1621 (1621) FORMERLY SOLICITATION N68786-87-R-3405 (3405), A CLASSIFIED CONTRACT FOR THE C3I SYSTEMS ENGINEERING RESEARCH ANALYSIS FOR THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. THE AWARD OF THE CONTRACT WAS \$11 MILLION. THE AUDIT BY THE NAS REVEALED IRREGULARITIES INDICATING THE GOVERNMENT'S CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AND HIS ASSISTANT POSSIBLY "STACKED" THE TECHNICAL EVALUATION BOARD (TEB) AND THE COST EVALUATION BOARD (CEB) IN FAVOR OF C/BOOZ-ALLEN AND HAMILTON, INC. THE COTR, IDENTIFIED AS (b)(6), (b)(7)(C) RETIRED FROM NOSC AND SUBSEQUENTLY GAINED EMPLOYMENT AT C/BOOZ-ALLEN AND HAMILTON, INC. INTERVIEWS CONDUCTED OF GOVERNMENT EMPLOYEES REFLECT THEY CONSIDERED THEMSELVES QUALIFIED TO BE MEMBERS OF THE TEB. THEY WERE UNAWARE WHY (b)(6), (b)(7)(C) ASSISTANT, IDENTIFIED AS (b)(6), (b)(7)(C) SUBMITTED A MEMORANDUM TO THE CHAIRMAN OF THE CONTRACT AWARD REVIEW PANEL (CARP) INDICATING THE MEMBERS OF THE TEB WERE INCOMPETENT AND DID NOT KNOW WHAT THEY WERE DOING. INTERVIEW OF THE (b)(6), (b)(7)(C) INDICATED (b)(6), (b)(7)(C) NEVER KNEW HE WAS ASSIGNED AS CHAIRMAN OF THE CARP BECAUSE NO PAPER WORK EVER PASSED THROUGH HIM, BUT HE WAS AWARE OF CONTRACTS 1621 AND 3405 BECAUSE THEY WERE CONTRACTS ASSIGNED TO HIS DIVISION AT NOSC, SAN DIEGO, CA. INVESTIGATION IS PENDING THE REVIEW OF CONTRACTS 1621 AND 3405 AND THE COMPLETION OF INVESTIGATIVE LEADS SET FORTH HEREIN TO NISRU FALLON, NV, AND NISRFU SAN FRANCISCO, CA.

EXHIBITS:

- (1) QUESTIONS FOR (b)(6), (b)(7)(C) 130JUL90...(COPY 12FL ONLY)
 (2) QUESTIONS FOR (b)(6), (b)(7)(C) 30JUL90...(COPY 12FB ONLY)

ACTION/LEAD

L.12FL...UTILIZING EXHIBIT (1) CONTACT (b)(6), (b)(7)(C) WHO IS A RETIRED EMPLOYEE OF NOSC, SAN DIEGO, CA, AND POSE THE QUESTIONS PROVIDED. HIS ADDRESS IS: (b)(6), (b)(7)(C)

L.12FB...UTILIZING EXHIBIT (2) CONTACT (b)(6), (b)(7)(C) WHO IS A FORMER CONTRACTING OFFICER FROM THE NAVAL REGIONAL CONTRACTING CENTER BRANCH (NRCC), OAKLAND, CA, AND POSE THE

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31 JUL 90

C/8007-ALLEN AND HAMILTON INC
U.S. NAVAL INVESTIGATIVE SERVICE

QUESTIONS PROVIDED. HIS ADDRESS IS

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

TELEPHONE NUMBER:

(b)(6), (b)(7)(C)

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(b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

01JUN90

GENERAL PROCUREMENT (III)

CONTROL: 25OCT89-20FW-0098-4GNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) NISRFU SAN DIEGO ISR/02APR90

SPECIAL HANDLING: DUE TO THE SENSITIVITY OF THE
ISSUES INVOLVED, THIS INVESTIGATION SHOULD NOT BE
BRIEFED OUTSIDE OF NIS CHANNELS.

SYNOPSIS

1. INVESTIGATION WAS INITIATED AFTER RECEIPT OF INFORMATION FROM THE NAVAL AUDIT SERVICE (NAS) WHICH INDICATED SUBJECT COMPANY WAS AWARDED CONTRACT N68786-87-R-3405 (3405), A CLASSIFIED CONTRACT FOR THE C3I SYSTEMS ENGINEERING RESEARCH ANALYSIS, FOR THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. THE AWARD OF THE CONTRACT WAS \$11 MILLION. THE AUDIT BY NAS REVEALED IRREGULARITIES INDICATING THE GOVERNMENT'S CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AND HIS ASSISTANT POSSIBLY "STACKED" THE TECHNICAL EVALUATION BOARD AND COST EVALUATION BOARD IN FAVOR OF SUBJECT COMPANY. THE COTR, IDENTIFIED AS (b)(6), (b)(7)(C) RETIRED FROM NOSC AND SUBSEQUENTLY GAINED EMPLOYMENT AT SUBJECT COMPANY. INVESTIGATIVE ACTION REPORTS THE REVIEW OF (b)(6), (b)(7)(C) PERSONNEL FOLDER WHICH INDICATED HE BEGAN U.S. GOVERNMENT SERVICE ON 23JUN52 AND RETIRED ON 31JAN88. INVESTIGATION IS PENDING THE INTERVIEW OF GOVERNMENT EMPLOYEES.

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

02APR90

GENERAL PROCUREMENT (III)

CONTROL: 25OCT89-20FW-0098-42NA/T

C/BOOZ-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM WASHINGTON, DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) NISRFU WASHINGTON, DC ROI/02FEB90

SPECIAL HANDLING: DUE TO THE SENSITIVITY OF THE ISSUES INVOLVED, THIS INVESTIGATION SHOULD NOT BE BRIEFED OUTSIDE OF NIS CHANNELS.

SYNOPSIS

1. REF (A) REPORTS INVESTIGATION WAS INITIATED AFTER RECEIPT OF INFORMATION FROM THE NAVAL AUDIT SERVICE (NAS), WHICH INDICATED SUBJ COMPANY WAS AWARDED CONTRACT N68786-87-R-3405 (3405), A CLASSIFIED CONTRACT FOR C3I SYSTEMS ENGINEERING RESEARCH ANALYSIS, SUPPORTING THE NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. THE AWARD OF THE CONTRACT WAS \$11 MILLION. THE AUDIT BY NAS REVEALED IRREGULARITIES INDICATING THE GOVERNMENT'S CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AND HIS ASSISTANT POSSIBLY "STACKED" THE TECHNICAL EVALUATION BOARD AND COST EVALUATION BOARD IN FAVOR OF SUBJ COMPANY. THE COTR RETIRED FROM NOSC AND SUBSEQUENTLY GAINED EMPLOYMENT AT SUBJ COMPANY. INVESTIGATION WAS TRANSFERRED FROM NISRFU WASHINGTON, DC TO NISRFU SAN DIEGO, CA BECAUSE OF GEOGRAPHICAL LOCATION OF SUBJ COMPANY'S BRANCH OFFICE, NOSC AND WITNESSES AT SAN DIEGO, CA.

2. INVESTIGATIVE ACTION REPORTS THE REVIEW OF THE CASE FILE AND THE PERSONNEL FILES OF KEY GOVERNMENT EMPLOYEES INVOLVED WITH CONTRACT 3405, WHICH REVEALED NOTHING TO REFLECT UNFAVORABLY UPON THOSE INDIVIDUALS. INVESTIGATION IS PENDING THE INTERVIEW OF GOVERNMENT EMPLOYEES.

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REPORT OF INVESTIGATION (INTERIM)

02FEB90

GENERAL PROCUREMENT (III)

CONTROL: 25OCT89-20FW-0098-4GNA/T

C/BOOZ-ALLEN AND HAMILTON, INC.
BETHESDA, MD

COMMAND/COMNISCOM, WASHINGTON, DC/63285

MADE AT/20FW/RFU WASHINGTON, DC

(b)(6), (b)(7)(C)

SPECIAL AGENT

SPECIAL HANDLING: DUE TO THE SENSITIVITY OF THE ISSUES INVOLVED, THIS INVESTIGATION SHOULD NOT BE BRIEFED OUTSIDE OF NIS CHANNELS.

SYNOPSIS

1. INVESTIGATION WAS INITIATED UPON RECEIPT OF INFORMATION FROM THE NAVAL AUDIT SERVICE (NAS), WASHINGTON, DC, WHICH INDICATED THAT SUBJECT COMPANY, SAN DIEGO BRANCH OFFICE, WAS AWARDED A CLASSIFIED CONTRACT FOR C3I SYSTEMS ENGINEERING RESEARCH AND ANALYSIS (88-D-1621...FORMERLY SOLICITATION 87-R-3405), SUPPORTING NAVAL OCEAN SYSTEMS CENTER (NOSC), SAN DIEGO, CA. UPON IN-DEPTH AUDIT REVIEW, INDICATIONS WERE FOUND THAT THE GOVERNMENT CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR), (b)(6), (b)(7)(C) AND HIS ASSISTANT, (b)(6), (b)(7)(C) POSSIBLY STACKED THE TECHNICAL EVALUATION BOARD AND COST EVALUATION BOARD IN FAVOR OF SUBJECT COMPANY. (b)(6), (b)(7)(C) SUBSEQUENTLY WENT TO WORK FOR SUBJECT COMPANY, SAN DIEGO OFFICE, IN A POSSIBLE CONFLICT OF INTEREST STATUS. AFTER (b)(6), (b)(7)(C) LEFT, EVENTS OCCURRED WHICH INDICATE (b)(6), (b)(7)(C) CONTINUED TO PURSUE A SECOND BEST AND FINAL OFFER (BAFO), WHICH ALLOWED THE AWARD OF AN 11 MILLION DOLLAR CONTRACT TO SUBJECT COMPANY. INVESTIGATION IS FOCUSED ON THE POSSIBILITY THAT THE CONTRACTING PROCESS MAY HAVE BEEN IMPROPERLY MANIPULATED BY EITHER (b)(6), (b)(7)(C) OR (b)(6), (b)(7)(C) IN EXCHANGE FOR GRATUITIES OR POSITIONS WITHIN SUBJECT COMPANY. DUE TO THE GEOGRAPHICAL LOCATION OF SUBJECT COMPANY BRANCH OFFICE, NOSC, AND PHYSICAL LOCATION OF WITNESSES, CASE CONTROL IS BEING TRANSFERRED FOR APPROPRIATE INVESTIGATION.

STATUTES

2. INVESTIGATION IS BEING WORKED UNDER VARIOUS CONFLICT OF INTEREST STATUTES, AND POSSIBLE VIOLATIONS OF 18 USC 201 (RECEIPT OF GRATUITIES), AND 18 USC 1001 (FALSE STATEMENTS).

NARRATIVE

3. ON 25OCT89, A MEETING WAS HELD WITH NAS AUDITORS, (b)(6), (b)(7)(C) AND (b)(6), (b)(7)(C) WASHINGTON, DC, WHO DISCOVERED APPARENT IMPROPRIETIES IN THE AWARD OF A CLASSIFIED CONTRACT TO SUBJECT COMPANY. SUBSEQUENT IN-DEPTH REVIEW DETERMINED SEVERAL IMPROPRIETIES BY CONTRACTING PERSONNEL IN THE ADMINISTRATION AND EVALUATION OF PROPOSALS FOR THIS CONTRACT. EXHIBIT (1) IS A BASIC SUMMARY OF AUDIT FINDINGS BY NAS.

4. ON 27OCT89, A SECOND MEETING WAS HELD WITH NAS AUDITORS (b)(6), (b)(7)(C)

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U.S. NAVAL INVESTIGATIVE SERVICE

02FEB90

C/BOOZ-ALLEN AND HAMILTON, INC

WHO PROVIDED AN ANALYSIS OF HIS FINDINGS, AND A REVIEW OF CONTRACTING AND AUDITING RECORDS WAS PROVIDED BY PAYNE FOR FURTHER EXAMINATION. EXHIBIT (2) OUTLINES SEVERAL DISCREPENCIES WHICH APPEAR TO INDICATE THE CIRCUMSTANCES LEADING TO THE AWARD OF THE CONTRACT TO SUBJECT COMPANY WERE HIGHLY SUSPECT.

5. EXHIBIT (3) IS A SUMMARY OF THOSE DOCUMENTS WHICH HIGHLIGHT DISCREPENCIES FOUND BY NAS. ATTACHMENT (1) TO EXHIBIT (3) IS THE FULL COMPILATION OF NAS AUDIT DATA AND DOCUMENTATION UPON WHICH THEIR FINDINGS ARE BASED. ALL DOCUMENTS AND AUDIT FINDINGS WITHIN ATTACHMENT (1) ARE FULLY EXPLAINED ON THE ACCOMPANYING REPORT TO EACH DOCUMENT.

6. NIS REGIONAL FRAUD UNIT, (NISRFU) SAN FRANCISCO, CA., PROVIDED EXHIBIT (4) WHICH IDENTIFIES THE LOCATIONS AND PHONE NUMBERS OF KEY WITNESSES TO BE LOCATED FOR FURTHER INVESTIGATION.

7. NISRFU SAN FRANCISCO, CA, FURTHER PROVIDED EXHIBITS (5) THROUGH (9), WHICH WERE OBTAINED FROM THE CONTRACT FILE, OAKLAND, CA. EXH (5) IS (b)(6), (b)(7)(C) APPOINTMENT OF (b)(6), (b)(7)(C) TO COTR UPON HIS REMOVAL FROM OFFICE. EXH (6) IS THE EVALUATION OF THE CIRCUMSTANCES SURROUNDING (b)(6), (b)(7)(C) RESIGNATION. EXH (7) IS THE CONTRACTING OFFICER, (b)(6), (b)(7)(C) REVIEW OF (b)(6), (b)(7)(C) RESIGNATION. NOTE THAT ON PAGE 1, PARA C(2), OF THIS REPORT, (b)(6), (b)(7)(C) CLAIMS (b)(6), (b)(7)(C) TECHNICAL EVALUATIONS WERE EXCLUDED. HOWEVER, NAS AUDIT DETERMINED THIS NOT TO BE THE CASE. FURTHERMORE, PAGE 1, PARA C(3) INDICATES THAT A SECOND ROUND OF BEST AND FINAL OFFERS WERE MADE AND EVALUATED. HOWEVER, IT APPEARS THAT A SECOND BAFO DOES NOT RESOLVE THE ISSUE SINCE IT CREATES THE OPPORTUNITY FOR (b)(6), (b)(7)(C) TO TAKE INFORMATION FROM THE FIRST BAFO TO SUBJECT COMPANY, FOR THEIR POSSIBLE USE DURING THE SECOND BAFO. EXH (8) AND (9) INDICATE INTENTIONS OF NOSC TO CONTINUE WITH THE CONTRACT AWARD TO SUBJECT COMPANY.

INVESTIGATIVE STATUS

8. CASE CONTROL IS TO BE ASSUMED BY NISRFU, SAN DIEGO, CA, DUE TO APPROPRIATE JURISDICTION. THIS INTERIM REPORT IS SUBMITTED DUE TO CHANGE IN CASE CONTROL AGENT.

EXHIBITS

- (1) IA: INITIAL ALLEGATIONS/25OCT89...(11FD ONLY)
- (2) IA: SUMMARY OF NAS REVIEW/13NOV89...(11FD ONLY)
- (3) IA: EVALUATION OF AUDIT FINDINGS W/ATTACHMENTS/30JAN90
...(11FD ONLY)
- (4) IA: LOCATION OF WITNESSES/UNDATED...(11FD ONLY)
- (5) NOTIFICATION OF COTR CHANGE/30SEP87...(11FD ONLY)
- (6) ACCEPTANCE OF EMPLOYMENT/29FEB88...(11FD ONLY)
- (7) POTENTIAL CONFLICT OF INTEREST/03AUG88...(11FD ONLY)
- (8) CONTRACT 1621 AWARD/25AUG88...(11FD ONLY)
- (9) CONTRACT 1621/25AUG88...(11FD ONLY)

ACTION/LEAD

A.11FD...RECEIVE CASE CONTROL FOR APPROPRIATE INVESTIGATION **WARNING**
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U.S. NAVAL INVESTIGATIVE SERVICE

25OCT89-20FW-0093-4GNA/T

02FEB90

C/B00Z-ALLEN AND HAMILTON, INC

ASSIGNED TO S/A (b)(6), (b)(7)(C) NISRFU SAN DIEGO.
REQUEST CODE 0023AP BE ON DISTRIBUTION OF
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TITLE: C/B00Z-ALLEN AND HAMILTON, INC
CCN: 250CT89-20FW-0098-4GNA

INVESTIGATIVE ACTION: INITIAL ALLEGATIONS ON SUBJECT CONTRACT.

ON 250CT89, (b)(6), (b)(7)(C) NAVAL AUDIT SERVICE (NAS) S/I DIVISION, AND (b)(6), (b)(7)(C) NAS AUDITOR, WERE INTERVIEWED BY REPORTING AGENT REGARDING CONTRACTING IRREGULARITIES FOUND PURSUANT TO A NAS REVIEW OF SUBJECT COMPANY CONTRACT. PROPER IDENTIFICATION WAS SHOWN, AND BOTH (b)(6), (b)(7)(C) WERE ADVISED AS TO THE NATURE OF THE INTERVIEW.

(b)(6), (b)(7)(C) STATED THAT NAS, S/I DIVISION, WAS PERFORMING AN AUDIT OF THE ENTIRE PROGRAM CONTRACTING FUNCTION, ONE PHASE OF WHICH WAS DIRECTED AT DETERMINING IF ADEQUATE COMPETITION EXISTED WITHIN THE PROGRAM.

(b)(6), (b)(7)(C) STATED THAT UPON REVIEW OF PROGRAM CONTRACT WITH SUBJECT COMPANY, SAN DIEGO, CA., BRANCH OFFICE, SOME IMPROPRIETIES WERE NOTED. ACCORDING TO (b)(6), (b)(7)(C) SUBJECT COMPANY HAS A CONTRACT FOR APPROXIMATELY 11 MILLION DOLLARS TO SUPPORT NAVAL OCEAN SYSTEMS COMMAND (NOSC), SAN DIEGO, CA. SUBJECT COMPANY HAS HAD THIS CONTRACT SINCE APRIL, 1988, AND THE CONTRACT IS A COST PLUS FIXED-FEE, WITH A 3-5 YEAR EXTENSION. ACCORDING TO (b)(6), (b)(7)(C) THIS PARTICULAR CONTRACT WAS A FOLLOW-ON EFFORT TO AN ORIGINAL CONTRACT, WHICH WAS PERFORMED BY SUBJECT COMPANY.

(b)(6), (b)(7)(C) STATED THAT THE ONLY OTHER COMPETITOR ON THE EFFORT WAS SYSTEMS EXPLORATION, INC (SEI), SAN DIEGO, CA. ACCORDING TO (b)(6), (b)(7)(C) THE AUDIT REVIEW WAS INITIATED UPON RECEIPT OF A NAVY HOTLINE COMPLAINT THAT MADE ALLEGATIONS WHICH APPEAR TO BE SUPPORTED BY THE NAS REVIEW.

ACCORDING TO (b)(6), (b)(7)(C) THE CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR), (b)(6), (b)(7)(C) WAS THE COTR ON THE ORIGINAL EFFORT. (b)(6), (b)(7)(C) IN VIOLATION OF FEDERAL ACQUISITION REGULATIONS (FAR), HAD SAT ON THE SOURCE SELECTION BOARD, COST BOARD, AND TECHNICAL EVALUATION BOARD IN REVIEW OF THE FOLLOW-ON BEST AND FINAL OFFER SUBMISSIONS. SUBSEQUENTLY, (b)(6), (b)(7)(C) WAS APPROACHED BY SUBJECT COMPANY WITH A JOB OFFER (UNKNOWN POSITION), AND (b)(6), (b)(7)(C) TOLD THE PROGRAM OFFICE HE WAS IN NEGOTIATIONS WITH SUBJECT COMPANY AND WAS THEREFORE REMOVED FROM HIS POSITION. ACCORDING TO (b)(6), (b)(7)(C) THE PROGRAM OFFICE ALLOWED (b)(6), (b)(7)(C) TO SPEAK WITH SUBJECT COMPANY, AND REPLACED (b)(6), (b)(7)(C) WITH HIS ASSISTANT, (b)(6), (b)(7)(C) SUBSEQUENTLY, (b)(6), (b)(7)(C) WENT TO WORK FOR SUBJECT COMPANY, AND (b)(6), (b)(7)(C) TOOK OVER AS COTR, AND SAT ON THOSE EVALUATION BOARDS HELD BY (b)(6), (b)(7)(C)

ACCORDING TO (b)(6), (b)(7)(C) THE PROGRAM OFFICE LEGAL COUNSEL (UNKNOWN), DECIDED THAT THERE SHOULD BE A "SECOND" BEST AND FINAL OFFER, SINCE (b)(6), (b)(7)(C) LEFT THE GOVERNMENT AND WENT TO WORK FOR SUBJECT COMPANY. THE SECOND BAFO'S WERE REVIEWED BY (b)(6), (b)(7)(C) AND A NEW SET OF BOARD MEMBERS, BELIEVED TO HAVE BEEN APPOINTED BY (b)(6), (b)(7)(C) SUBJECT COMPANY SUBSEQUENTLY WON THE FOLLOW-ON EFFORT BASED ON HIGHER TECHNICAL MERIT.

EXHIBIT (1)

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NAVAL INVESTIGATIVE SERVICE

TITLE: C/B00Z-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4GNA

HOWEVER, (b)(6), (b)(7)(C) SAID THAT SEVERAL DOCUMENTS APPEAR TO INDICATE THAT THE AWARD OF THE CONTRACT TO SUBJECT COMPANY WAS HEAVILY INFLUENCED BY (b)(6), (b)(7)(C) ALTHOUGH SEI RANKED LOWER IN COST, (b)(6), (b)(7)(C) "TORE UP" THEIR PROPOSAL IN HIS REVIEW, AND STATED THAT SEVERAL OF THE OTHER BOARD MEMBERS (WHO PRAISED SEI) WERE INCOMPETENT AND DID NOT KNOW WHAT THEY WERE DOING. (b)(6), (b)(7)(C) STATED THAT WHEN NAS REVIEWED THE SEI PROPOSALS, (WITHOUT (b)(6), (b)(7)(C) OR (b)(6), (b)(7)(C) EVALUATIONS INCLUDED), SEI WOULD HAVE WON THE EFFORT "HANDS DOWN".

(b)(6), (b)(7)(C) STATED THAT THE CURRENT CONTRACTING OFFICER ON THE EFFORT IS (b)(6), (b)(7)(C) AND THE PREVIOUS C.O WAS (b)(6), (b)(7)(C) ACCORDING TO (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) LEFT THE POSITION IN MARCH, 1989. (b)(6), (b)(7)(C) STATED THAT WHEN NAS ATTEMPTED TO OBTAIN A RATES REPORT FROM THE DEFENSE CONTRACT AUDIT AGENCY (DCAA), (b)(6), (b)(7)(C) TOLD THEM THE AUDIT WAS REQUESTED, BUT DCAA, SAN DIEGO, CA., HAD NO RECORD OF SUCH A REQUEST, OR RECALLED PERFORMING THE AUDIT. (b)(6), (b)(7)(C) STATED THAT A DCAA RATES AUDIT SHOULD HAVE BEEN PERFORMED BEFORE THE BAFO WHICH WOULD HAVE INDICATED IF SUBJECT COMPANY WAS UNDERBIDDING, OR USING MARKED-UP FEES. BUT NO RECORD COULD BE FOUND. AND IT IS UNKNOWN AT THIS TIME WHAT (b)(6), (b)(7)(C) INVOLVMENT IS WITH (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) SAID THAT (b)(6), (b)(7)(C) NOSC, IS THE CURRENT COTR, AND HAS SERIOUS CONCERNS REGARDING THE PERFORMANCE OF THE CONTRACT BY SUBJECT COMPANY AFTER SUCH EVENTS HAVE OCCURRED. ACCORDING THE (b)(6), (b)(7)(C) THE PROGRAM OFFICE ADMINISTERING THE CONTRACT, AS WELL AS THE CONTRACT FILES, ARE IN OAKLAND, CA. (b)(6), (b)(7)(C) STATED THAT THE SECOND BAFO WAS PUSHED BY THE LEGAL OFFICE WITHOUT THE APPROVAL OF THE PROGRAM DIRECTOR IN WASHINGTON, DC. A REVIEW OF THE CONTRACT FILE INDICATED THAT ON THE FIRST AND SECOND BAFO'S, SEI WAS ALWAYS THE LOW BIDDER. A COMPLETE COPY OF PERTINENT RECORDS WILL BE OBTAINED FROM (b)(6), (b)(7)(C) ON 27OCT89. NO FURTHER INFORMATION.

REPORTING AGENT: (b)(6), (b)(7)(C) SPECIAL AGENT
REPORTING OFFICE: REGIONAL FRAUD UNIT, WASHINGTON, D.C.
DATE TYPED: 25OCT89

EXHIBIT ()

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PAGE 2 OF 2
F13-1073 000408

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U.S. NAVAL INVESTIGATIVE SERVICE
TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4GNA

INVESTIGATIVE ACTION: EVALUATION OF AUDIT FINDINGS

THE FOLLOWING INFORMATION IS IN SUPPORT OF ALL DOCUMENTATION FOUND IN THE EVALUATION PERFORMED BY THE NAVAL AUDIT SERVICE, (NAS) S/I DIVISION, APPENDED AS ATTACHMENT (1). HIGHLIGHTS OF AUDIT FINDINGS ARE MARKED AS NUMBERS (1) THROUGH (16), AND ARE FURTHER DESCRIBED HEREIN. HOWEVER, SEVERAL OTHER DOCUMENTS AND AUDIT REPORTS ARE INCLUDED IN ATTACHMENT (1) WHICH SHOULD BE REVIEWED FOR FURTHER INFORMATION.

1. SOURCE SELECTION PLAN FOR 87-R-3405 (CONTRACT 88-D-1621). THIS PLAN APPEARS NOT TO HAVE BEEN ADHERED TO. NOTE DATA AVAILABLE TO TECHNICAL EVALUATION BOARD (TEB) AND COST EVALUATION BOARD (CEB) MEMBERS CANNOT BE EXCHANGED.
2. (b)(6), (b)(7)(C) INITIAL TECHNICAL EVALUATION OF 17FEB87. NOTE (b)(6), (b)(7)(C) DEGRADATION OF FELLOW TEB MEMBERS, AND ASSERTION OF BOOZ-ALLEN AND HAMILTON'S (BAH) TECHNICAL SUPERIORITY (WHICH IS NOT SUPPORTED BY NAS EVALUATION).
3. (b)(6), (b)(7)(C) SUMMARY OF RAW SCORES FOR BAH. NOTE THE INITIALS UNDER EACH EVALUATION REPRESENT THE EVALUATOR (i.e. (b)(6), (b)(7)(C) is (b)(6), (b)(7)(C) other (b)(6), (b)(7)(C) are unknown) ALSO NOTE THE RELATIVE HIGH SCORES ASSIGNED BY (b)(6), (b)(7)(C) THE SECOND PAGE IS (b)(6), (b)(7)(C) SUMMARY OF RAW SCORES FOR SYSTEMS EXPLORATION INC (SEI). NOTE THE RELATIVE LOW SCORES BY (b)(6), (b)(7)(C)
4. INITIAL EVALUATION OF BAH SCORES. COMPARISON WAS MADE OF TEB MEMBER SCORES, WHICH ARE IN COLUMNS ON THE LEFT-HAND SIDE OF THE DOCUMENT. HOWEVER, SOMEONE ALSO COMPARED (b)(6), (b)(7)(C) SCORES WITH (b)(6), (b)(7)(C) SCORES (b)(6), (b)(7)(C) ON THE RIGHT-HAND SIDE OF THE DOCUMENT. NOTE THE SIMILAR HIGH SCORES BY (b)(6), (b)(7)(C) WHO SHOULD NOT HAVE EVEN MADE SUCH EVALUATIONS SINCE HE WAS NOT ON THE TEB. THIS INDICATES (b)(6), (b)(7)(C) HAD ACCESS TO THE TEB INFORMATION.
5. INITIAL EVALUATION OF SEI SCORES. SIMILAR COMPARISONS ARE MADE WITH (b)(6), (b)(7)(C) SCORES. ON BOTH THIS DOCUMENT AND (4) ABOVE, NOTE THAT THE WEIGHTED SCORES ARE LISTED TWICE: ONCE FOR THE ORIGINAL TEB MEMBERS, AND AGAIN FOR (b)(6), (b)(7)(C) SCORES, POSSIBLY INDICATING SOMEONE WAS PLAYING WITH THE NUMBERS TO GET THE MOST BENEFICIAL SCORE FOR BAH AND UNFAVORABLE SCORE FOR SEI.
6. FIRST BAFO TECHNICAL EVALUATION OF BAH. THERE ARE SEVERAL DISCREPANCIES FOUND IN THIS DOCUMENT. NOTE THERE ARE 7 EVALUATORS IN THIS EVALUATION, WHEN THERE WERE ONLY 4 ORIGINAL EVALUATORS. FURTHER NOTE (b)(6), (b)(7)(C) SCORES ARE INCLUDED IN THIS EVALUATION. ALSO NOTE UNKNOWN EVALUATORS #5 (b)(6), (b)(7)(C) AND #6 (b)(6), (b)(7)(C) WHO APPEAR ONLY ON THIS BAFO

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/B00Z-ALLEN AND HAMILTON, INC

CCN: 25OCT89-20FW-0098-4GNA

EVALUATION. ACCORDING TO NAS, WITHOUT THESE SCORES FAVORING BAH, SEI WOULD HAVE BEEN 1% LOWER IN THE TECHNICAL EVALUATION, BUT LOWER IN COST THAN BAH. FINAL WEIGHTED SCORE IS CIRCLED IN THE BOTTOM LEFT OF THIS DOCUMENT.

7. FIRST BAFO TECHNICAL EVALUATION OF SEI. NOTE THE SAME INCLUSIONS OF MYSTERY EVALUATORS AND (b)(6), (b)(7)(C) SCORES FOR AN UNFAVORABLE SCORE.

8. SUMMARY ANALYSIS OF BAH SCORES PERFORMED BY NAS. THIS DOCUMENT COMPARES VARIOUS GROUPINGS OF EVALUATORS, AND CALCULATES THEIR SCORE WHEN BIASED SCORES ARE REMOVED.

9. SUMMARY ANALYSIS OF SEI SCORES PERFORMED BY NAS WHEN BIAS SCORES ARE REMOVED. NAS ASSERTS THAT WHEN ONLY EVALUATORS #2, #3, AND #4 ARE USED, BAH WOULD BE TECHNICALLY HIGHER TO SEI BY 1.02 POINTS, HARDLY A TECHNICAL SUPERIORITY AS (b)(6), (b)(7)(C) CLAIMS. HOWEVER, SEI COST WAS LOWER WHICH SHOULD HAVE GIVEN THEM THE EDGE ON THE AWARD OF THE CONTRACT.

10. (b)(6), (b)(7)(C) REPORT OF FIRST BAFO EVALUATION, 26MAY87. NOTE THAT (b)(6), (b)(7)(C) CLAIMS SEI NUMBERS REMAINED CONSISTENT, AND BAH NUMBERS INCREASED. NAS AUDIT FOUND THIS TO BE UNTRUE, SINCE BOTH SEI AND BAH SCORES WENT DOWN.

11. (b)(6), (b)(7)(C) JUSTIFICATION REPORT OF 17MAR88, PROVIDING MORE DETAIL TO SUPPORT HIS FINDINGS OF 26MAY87 (ABOVE). NOTE (b)(6), (b)(7)(C) MENTIONS (b)(6), (b)(7)(C) WAS INVOLVED IN THE REVIEW. FURTHERMORE, THE "ORIGINAL SCORES" (b)(6), (b)(7)(C) IDENTIFIES ARE FOUND TO HAVE BEEN FIRST BAFO SCORES, NOT ORIGINALS. ALSO, THE "REVISED SCORES" CANNOT BE SUPPORTED BY AUDIT AS BEING FACTUAL AT ALL, AND APPEAR TO HAVE BEEN MADE UP BY (b)(6), (b)(7)(C)

12. ORIGINAL SPAWAR-IG HOTLINE COMPLAINT.

13. SUMMARY ANALYSIS OF BAH AND SEI SECOND BAFO SCORES PERFORMED BY NAS, WITH SIMILAR FINDINGS TO THOSE FOUND IN PARA (8) AND (9) ABOVE.

14. ANOTHER ANALYSIS OF SEI'S INITIAL RAW SCORES FINDS THAT THESE AVERAGE SCORES WERE ROUNDED DOWN WHEN CALCULATED, TO SEI'S DISADVANTAGE.

15. ANOTHER ANALYSIS OF BAH'S INITIAL RAW SCORES FINDS THAT THESE AVERAGE SCORES WERE ROUNDED UP WHEN CALCULATED, TO BAH'S ADVANTAGE.

16. NAS SUMMARY OF EVENTS EXPLAINING THE CIRCUMSTANCES OF THE AWARD OF THE CONTRACT.

REPORTING AGENT: (b)(6), (b)(7)(C) SPECIAL AGENT
REPORTING OFFICE: REGIONAL FRAUD UNIT, WASHINGTON, D.C.
DATE TYPED: 30JAN90

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PAGE 2 OF 2

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U.S. NAVAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C)

ACTION/LEAD SHEET (CHANGE)

24JUL90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISR FU SAN DIEGO CA

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 11FD ISR/01JUN90

CASE SUMMARY

1. THIS INVESTIGATION HAS FOCUSED ON CONFLICT OF INTEREST/STANDARDS OF CONDUCT ISSUES. THE CASE CATEGORY SHOULD BE "4C" VICE "4G".

ACTION/LEAD

A.DIST...CHANGE THE CASE CATEGORY TO "4C" VICE "4G".

DISTRIBUTION

NISCOMHQ: 0023

NISRO: 11FD

ACTION: 0023/11HQ

✓ Deleted 4G from CCS & entered 4C in CCS 09 AUG 1990

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F13-1073 000411

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (CHANGE)

03 OCT 1990

01OCT90

CONFLICT OF INTEREST (II)

CONTROL: 25OCT89-20FW-0098-4CNA/T

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA MD

(b)(6), (b)(7)(C)

COMMAND/COMNISCOM WASHINGTON DC/63285

MADE AT/11FD/NISRFU SAN DIEGO CA (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) 11FD ISR/30AUG90

CASE SUMMARY

1. (b)(6), (b)(7)(C) HAS BEEN DEVELOPED AS A LOGICAL SUSPECT IN THIS INVESTIGATION.

ACTION/LEAD

A.DIST...ADD (b)(6), (b)(7)(C) TO TITLE AS REFLECTED ABOVE.

DISTRIBUTION

NISCOMHQ: 0023

NISRO: 11FD

ACTION: 0023/11HQ/0023AP

**TITLE CHANGE
NEW CARD
DCII**

(b)(6), (b)(7)(C)

03 OCT 1990

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (OPEN)

26OCT89

GENERAL PROCUREMENT (III)

CONTROL: 25OCT89-20FW-0098-42NA

C/BOOZ-ALLEN AND HAMILTON, INC
BETHESDA, MD

COMMAND/COMNISCOM, WASHINGTON DC/63285

MADE AT/20FW/RFU WASHINGTON, DC, (b)(6), (b)(7)(C) SPECIAL AGENT

SPECIAL HANDLING: DUE TO THE SENSITIVITY OF THE ISSUES INVOLVED, THIS INVESTIGATION SHOULD NOT BE DISSEMINATED OUTSIDE OF NIS CHANNELS.

SYNOPSIS

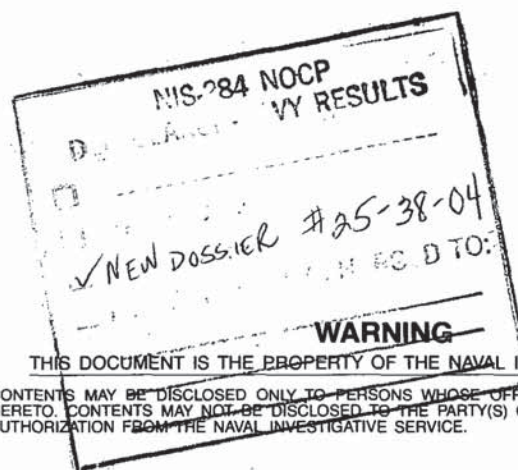
1. INVESTIGATION INITIATED UPON RECEIPT OF INFORMATION FROM THE NAVAL AUDIT SERVICE (NAS), WHICH INDICATED THAT SUBJECT COMPANY WAS AWARDED A CLASSIFIED CONTRACT SUPPORTING NAVAL OCEAN SYSTEMS COMMAND, SAN DIEGO, CA. UPON IN-DEPTH AUDIT REVIEW, NAS FOUND INDICATIONS THAT THE GOVERNMENT CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR), (b)(6), (b)(7)(C) AND HIS ASSISTANT, (b)(6), (b)(7)(C) POSSIBLY STACKED BOTH THE TECHNICAL EVALUATION BOARD AND PRICING BOARDS IN FAVOR OF SUBJECT COMPANY. AFTER THE SUBMISSION OF CONTRACT BEST AND FINAL OFFERS (BAFO), (b)(6), (b)(7)(C) LEFT THE GOVERNMENT AND WENT TO WORK FOR SUBJECT COMPANY IN A POSSIBLE CONFLICT OF INTEREST STATUS. SUBSEQUENTLY, (b)(6), (b)(7)(C) HIMSELF REPLACED (b)(6), (b)(7)(C) AS HEAD OF BOTH EVALUATION BOARDS, AND A "SECOND" BEST AND FINAL OFFER SUBMISSION WAS REQUIRED, WHICH SUBJECT COMPANY EVENTUALLY WON.

2. REVIEW OF CONTRACT PROPOSALS INDICATE SUBJECT COMPANY WAS BEHIND IN COST AND TECHNICAL MERIT. PRELIMINARY INDICATIONS ARE THAT SUBJECT COMPANY WOULD HAVE BEEN UNABLE TO WIN THIS CONTRACT WITHOUT IMPROPER ASSISTANCE FROM (b)(6), (b)(7)(C) BOTH INDIVIDUALS WILL BE LISTED AS CO-SUBJECTS UPON RECEIPT OF FURTHER IDENTIFICATION.

3. NO DOLLAR LOSS CAN BE IDENTIFIED AT THIS TIME. INVESTIGATION WILL BE WORKED UNDER VARIOUS CONFLICT OF INTEREST VIOLATIONS, AND POSSIBLE VIOLATIONS OF 18 USC 201 (RECEIPT OF GRATUITIES). INVESTIGATION IS CONTINUING.

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NISRO: 20HQ
INFO: 0023AP/05HQ



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U.S. NAVAL INVESTIGATIVE SERVICE

15SEP88

OPERATIONS REPORT (SUPP)

GENERAL PROCUREMENT

CONTROL: 26AUG88-0023-0185-4GCR

C/BOOZ ALLEN & HAMILTON, INC
ARLINGTON, VA

(b)(6), (b)(7)(C)

'88 L3. No. 36

MADE AT/20IL/WASHINGTON, DC/

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) 0023 NOR(ONLY)/26AUG88

SYNOPSIS

1. THE CONTENTS OF REFERENCE (A) HAVE BEEN REVIEWED AND FOUND TO REFLECT PERTINENT MATERIAL WHICH IS OTHERWISE UNKNOWN TO THE ILLWIND TASK FORCE. THIS INFORMATION WILL BE HELD FOR THE DEBRIEF OF CO-SUBJECT ONCE HIS COOPERATION HAS BEEN OBTAINED.

DISTRIBUTION

NSIC HQ: 0023

NISRO: 20HQ

INFO: 20FW

SECNAVINST 3320.2A -- INITIAL REVIEW			
Date Acquired/Reviewed:		28 SEP 1988	
Retention Decision	60	90	1 YR
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date to be DESTROYED/REVIEWED:		EXEMPT	
		<input type="checkbox"/>	
Reviewer's Sig		[Signature]	
		(b)(6), (b)(7)(C)	
Date	al Review		
Reviewed	[Signature]		
Date	Reviewer's Signature	Code	
Reviewed	Reviewer's Signature	Code	

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F13-1073 00041 (b)(6), (b)(7)(C)

U.S. NAVAL INVESTIGATIVE SERVICE

OPERATIONS REPORT (ONLY)

26AUG88

GENERAL PROCUREMENT

CONTROL: 26AUG88-0023-0185-4GCR

C/BOOZ ALLEN & HAMILTON, INC
ARLINGTON, VA

(b)(6), (b)(7)(C)

MADE AT/0023/NSICHQ

(b)(6), (b)(7)(C)

SPECIAL AGENT

SYNOPSIS

1. DEFENSE CRIMINAL INVESTIGATIVE SERVICE (DCIS) CORRESPONDENCE, EXHIBIT (1), WAS RECEIVED AT NSICHQ ALLEGING THAT AN ANONYMOUS CALLER TO THE DOD HOTLINE ALLEGED THAT SUBJECT, (b)(6), (b)(7)(C) USN (ASSIGNED TO NAVAIR) AND (b)(6), (b)(7)(C) (EMPLOYED WITH CAPTIONED COMPANY) WERE INVOLVED IN THE SELLING OF PROCUREMENT SENSITIVE INFORMATION TO VARIOUS DOD CONTRACTORS. ADDITIONALLY, SUBJECT WAS ALLEGED TO BE INVOLVED IN INFLUENCING THE AWARD OF CONTRACT NUMBER N00019-87-R-0122.

EXHIBIT

(1) DCIS CORRESPONDENCE/06JUL88...(COPY ALL)

ACTION

A.20IL...INITIATE INQUIRIES REGARDING THESE ALLEGATIONS.
SUBMIT ROI (ONLY) OR ALS (OPEN) AS APPROPRIATE.

DISTRIBUTION

NSICHQ: 0023
ACTION: 20IL (M)
INFO: 20HQ (M)/20FW (M)

SECNAVINST 3820.2A — INITIAL REVIEW

Date Acquired/Reviewed: 29 AUG 1988

Retention Decision ☐ 60 ☐ 90 ☐ 1 YR ☐ EXEMPT

Date to be DESTROYED/REVIEWED:

Reviewer's Signature

(b)(6), (b)(7)(C)

Code

Date

Reviewed

Reviewer's Signature

Code

Date

Reviewed

Reviewer's Signature

Code

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Pages 416 through 417 redacted for the following reasons:

-----Page (416) - (417), Exhibit (1): Referred to the Department of Defense Office of Inspector General, DoD IG FOIA Requester Service Center, ATTN: FOIA Appellate Authority, Suite 1
4800 Mark Center Drive, Alexandria, VA 22350-1500

U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4GNA

INVESTIGATIVE ACTION: SUMMARY OF NAS REVIEW

ON 27OCT89, (b)(6), (b)(7)(C) AUDITOR, NAVAL AUDIT SERVICE (NAS), S/I DIVISION, WAS CONTACTED FOR PURPOSES OF A CONTRACT FILE REVIEW IN WHICH (b)(6), (b)(7)(C) HAD FOUND SEVERAL IMPROPRIETIES IN THE CONTRACTING PROCESS, LEADING TO THE AWARD OF A CONTRACT TO SUBJECT COMPANY. IN SUPPORT OF CONTRACTUAL FINDINGS, (b)(6), (b)(7)(C) FURTHER PROVIDED A WRITTEN SUMMARY OF EVENTS OUTLINING DISCREPANCIES FOUND BY NAS. THE FOLLOWING INFORMATION WAS PROVIDED BY (b)(6), (b)(7)(C)

Referred to the Naval Audit Service
Attn: FOIA
1006 Beatty Place SE
Washington Navy Yard DC 20374-5005

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NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4GNA

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NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-46NA

Referred to the Naval Audit Service
Attn: FOIA
1006 Beatty Place SE
Washington Navy Yard DC 20374-5005

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PAGE 3 OF 4
F13-1073 000420

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NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON, INC
CCN: 25OCT89-20FW-0098-4GNA

Referred to the Naval Audit Service
Attn: FOIA
1006 Beatty Place SE
Washington Navy Yard DC 20374-5005

REPORTING AGENT:
REPORTING OFFICE:
DATE TYPED:

(b)(6), (b)(7)(C)

SPECIAL AGENT

CAPITAL FRAUD UNIT, WASHINGTON, D.C.
13NOV89

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NAVAL CRIMINAL INVESTIGATIVE SERVICES
RECORDS MANAGEMENT DIVISION
LAW ENFORCEMENT RECORDS

Name: BOOZ ALLEN AND HAMILTON INC

AKA:

Social Security Number:

Context: S

Date of Birth:

State of Birth:

Country of Birth:

Case Number: 01JUL98NENL0163

Dossier: 253804

DCII INDEX CODE:
K = 50 YEARS

RECORD SERIES #:
5580/4A(1)(B)

Date Closed:
20010508

RECORD SERIES (FILE PLAN)

Gen Mgmt, Sec & Safety Svcs - Provide Security Svcs - Law Enforcement - NCIS Criminal Investigative - Controlled Death & Sex Investigations

Criminal Investigative Reports

COMMENTS

Imaged by IMC

☐ Polygraph Examination Conducted

☐ Finger Prints Submitted to Code 24B3

☐ Sexual Offender Registry Completed

☐ Final Disposition Report to FBI

CIS - _____

☐ Closed Status ☐ Dup Title ☐ Dup CCN

Disclosure/Accountability Statement: If this investigation is disseminated outside NCIS, complete NCIS Form 009/10-80, and ensure it is retained in the case file.

I _____ certify that this document has been reviewed and is complete.

DATE

SIGNATURE

Unclassified when separated from attachment unless otherwise indicated.

F13-1073 000422

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DATE AND INITIALS

REVIEWER'S ENTRIES

[illegible]

DATE DISCLOSED

DISCLOSED TO (NAME & AGENCY ADDRESS)

PURPOSE

SUBJ/DESCRIPTION OF MATERIAL

[illegible]

CLOSED CASE CERTIFICATION/RELEASE SHEET

GEN CRIM AND FRAUD : Check the appropriate box(s) that apply to the subject or co-subject:

<input type="checkbox"/> Navy Officer	<input type="checkbox"/> USMC Officer
<input type="checkbox"/> Navy Enlisted	<input type="checkbox"/> USMC Enlisted
<input type="checkbox"/> Security Clearance (Confidential and above)	<input type="checkbox"/> Reservist

PROCUREMENT FRAUD CASES ONLY : Check the appropriate box(s) that apply to the subject, co-subject(s) or investigation:

<input checked="" type="checkbox"/> DCAA Early Alert (Form 2000)	<input checked="" type="checkbox"/> DODIG Subpoena
<input type="checkbox"/> Voluntary Disclosure	<input type="checkbox"/> Qui Tam
<input type="checkbox"/> DLA Contracts	<input type="checkbox"/> Navy Exchange
<input type="checkbox"/> NAVAIR related contracts	<input checked="" type="checkbox"/> NAVSEA related contracts
<input type="checkbox"/> SPAWAR related contracts	
<input type="checkbox"/> Supply System related matters	
<input type="checkbox"/> Construction or Clean contracts	
<input type="checkbox"/> Program Fraud Civil Remedies Act	
<input type="checkbox"/> Security Department Personnel	
<input type="checkbox"/> Defense Fuel Supply Center/Fuel Cases	
<input type="checkbox"/> Medical or Hospital related contracts/matters	

CERTIFICATION/RELEASE:

CONTROL NUMBER: 01JUL98-NENL-0163-4MJD/C

NI TITLE: C/BOOZ ALLEN AND HAMILTON INC.

THIS INVESTIGATIVE CASE FILE IS CERTIFIED COMPLETE AND READY FOR RELEASE TO FINISHED FILES (NCISHQ) BY:

(b)(6), (b)(7)(C)

SUPERVISORS NAME (TYPED)

(b)(6), (b)(7)(C)

5/21/01
DATE

FR0531B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (CLOSED)

08MAY01

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD/C

C/BOOZ ALLEN AND HAMILTON INC.
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT/

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ROI/30Apr01

Case Summary

1. Subsequent to receipt of Ref (a), on 07May01 Ms Heather Epstein, Assistant US Attorney, advised she declines prosecution of this case. The allegation offered minimal federal interest. Case closed.

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Heather Epstein, Assistant US Attorney (M) / Commanding Officer, SUPSHIPS (M)

(b)(6), (b)(7)(C)

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PAGE 1 LAST

(b)(6), (b)(7)(C)

*016(E) 18MAY01
Reg 8597
(m) 18MAY01*

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FR0532B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (DATA)

08MAY01

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD/C

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

INVESTIGATIVE DATA

1 = NA
2 = NA
3 = A, U
4 = F
5 = NA
6 = NA
7 = NA
8 = NA
9 = C
10 = E3
11 = NA
12 = NA
13 = D
14 = NA
15 = NA
16 = C
17 = NA
18 = NA
19 = D
20 = NA
21 = C
22 = NA
23 = F
24 = B
25 = A, H
CW = NA
OP = NA

DISTRIBUTION

NCISHQ: 0023

NCISFO: NENP

INFO: CASE CLOSED: 08MAY01

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(b)(6), (b)(7)(C)

Greg 8598

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AD0587A

//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (DISP)

08MAY01

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD/C

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT/

(b)(6), (b)(7)(C)

SPECIAL AGENT

DISPOSITION DATA

1 = NA
2 = CCT
3 = 0507
4 = 122
5 = NA
6 = G
7 = NA
8 = NA
9 = NA
10 = NA
11 = NA
12 = NA
13 = NA
14 = NA
15 = NA
16 = H
17 = E
18 = NA
19 = NA
20 = K
21 = C
22 = NA
23 = NA

DISTRIBUTION

NCISHQ: 0023

NCISFO: NENP

INFO: CASE CLOSED: 08MAY01

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(b)(6), (b)(7)(C)

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AD0588A

//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (DISP)

08MAY01

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD/C

C/ELECTRIC BOAT CORPORATION
GROTON, CT

C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

DISPOSITION DATA

1 = NA
2 = CCT
3 = 0507
4 = 122
5 = NA
6 = G
7 = NA
8 = NA
9 = NA
10 = NA
11 = NA
12 = NA
13 = NA
14 = NA
15 = NA
16 = H
17 = E
18 = NA
19 = NA
20 = K
21 = C
22 = NA
23 = NA

DISTRIBUTION

NCISHQ: 0023

NCISFO: NENP

INFO: CASE CLOSED: 08MAY01

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(b)(6), (b)(7)(C)

Reg 8600

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FR0525B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

30APR01

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT/

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ROI/26Feb01

Case Summary

Subsequent to submission of Ref (a), (b)(6), (b)(7)(C) former C/Booz Allen and Hamilton Inc (BAH) consultants were interviewed. Both stated that they performed consulting work for C/Electric Boat Corporation. At no time did they work on mergers and acquisitions associated with Bath Iron Works. (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) interviews are provided as exhibits (1) and (2) respectively.

Exhibits

- (1) Results of interview (b)(6), (b)(7)(C) 08Feb01... (copy all)
- (2) Results of interview (b)(6), (b)(7)(C) 01Mar01... (copy all)

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Heather Epstein, Assistant US Attorney (M)/Commanding Officer, SUPSHIP (M)

*(S) 2 May 01 19
8905
(M) 2 May 01 19*

FOR OF
PAGE

(b)(6), (b)(7)(C)

USE ONLY

(b)(6), (b)(7)(C)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW WITH

(b)(6), (b)(7)(C)

On 08 February 2001 (b)(6), (b)(7)(C) was interviewed concerning his knowledge of alleged fraudulent behavior occurring on the part of Booz-Allen & Hamilton. The interview was conducted at his place of employment, Intersouth Partners, Suite 610, 3211 Shannon Road, Durham, NC.

(b)(6), (b)(7)(C) advised that during the summer of 1995, while he was a graduate student at Northwestern University, he was employed as an intern for Booz-Allen & Hamilton working on a U.S. Government contract at Electric Boat Corporation in Groton, CT. He stated that, while performing the work, he was physically located in a designated team room in an Electric Boat facility on the waterfront in Groton, CT. He did not recall the building number. He indicated that he did not remember any specifics about the work performed during the internship, including the man-hours that he submitted for payment, nor did he know the project title. He could not confirm any information relating to the Chargekey number and hours billed reflected on the Booz-Allen & Hamilton hours charged sheet with his name on it. He stated that he did not recognize the sheet, but the man-hours on the sheet appeared correct. (b)(6), (b)(7)(C) was not sure what project he was working on. According to (b)(6), (b)(7)(C) his job was to record data on spreadsheets relating to deliverables. He did not know what the deliverables were. He was not familiar with Chargekey categories nor did he know the meaning of the term "Chargekey". He denied any knowledge of the discussion of mergers or acquisitions and was not exposed to any work performed for Bath Iron Works.

(b)(6), (b)(7)(C) stated that due to his position as an intern he was very limited in his knowledge of the performance scope of the contract and had no exposure to any work outside the restricted scope of his assignment.

Biographical Data

(b)(6), (b)(7)(C)

Reported By: Special Agent (b)(6), (b)(7)(C)
Office: NCISRA Camp Lejeune, NC

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: INTERVIEW OF (b)(6), (b)(7)(C)

On 30MAR01, Reporting Agent interviewed Bruce Buff, concerning possible cost mischarging by C/BOOZ ALLEN AND HAMILTON INC (C/BAH). The interview was conducted telephonically at the request of (b)(6), (b)(7)(C) due to his scheduling conflicts. (b)(6), (b)(7)(C) stated that he was employed by C/BAH, as a Principal in the Information and Technologies Group, from September 1991 through February 2000. Buff stated that worked in the Information and Technologies Group out of the C/BAH New York, NY office.

(b)(6), (b)(7)(C) stated that he worked on the C/ELECTRIC BOAT CORPORATION (C/EBC) purchase order from 30SEP93 through 15FEB96. According to (b)(6), (b)(7)(C) almost all of the work he performed on the C/EBC purchase order, took place in Groton, CT. (b)(6), (b)(7)(C) stated that while working on the C/EBC purchase order he worked four and a half days a week in Groton, CT. (b)(6), (b)(7)(C) stated that he was responsible for running the Information and Technologies projects for the C/EBC purchase order. (b)(6), (b)(7)(C) was surprised to learn that the total amount of hours he had billed to the C/EBC purchase order was so low. (b)(6), (b)(7)(C) thought that the total hours he billed would have been much higher than was reflected. (b)(6), (b)(7)(C) stated that it would be difficult for C/BAH to overcharge his hours. (b)(6), (b)(7)(C) explained that C/BAH would typically bill 40 hours a week, or eight hours a day for his work, but that he would often work 10 to 12 hours per day on a project. (b)(6), (b)(7)(C) stated that the rates C/BAH charges are not cheap but well worth the price. (b)(6), (b)(7)(C) stated that he was not involved in any planning or strategy associated with mergers and acquisitions on the C/EBC purchase order.

(b)(6), (b)(7)(C) stated that he did not work on the Bath Iron Works (BIW) project while at C/BAH. According to (b)(6), (b)(7)(C) he once provided some information and technology advice to the BIW project but he did not bill any of his time. (b)(6), (b)(7)(C) stated that he was not involved with any acquisition work on the BIW project. (b)(6), (b)(7)(C) stated that while at C/BAH he absolutely never witnessed any instances of fraud. (b)(6), (b)(7)(C) stated that NCIS should feel free to contact him if he could be of further assistance. (b)(6), (b)(7)(C) did not want to supply his biographical data over the telephone.

Reported By: (b)(6), (b)(7)(C)
Office: NCISRA Earle, Colts Neck, NJ

EXHIBIT (2)

WARNING

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (RUC)

02APR01

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NEEA/NCISRA EARLE, NJ (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

(A) NENL ALS(Pending)/22Dec00

Case Summary

1. Pursuant to tasking set forth in reference (A), an interview was conducted with (b)(6), (b)(7)(C) regarding his knowledge of possible cost mischarging by C/BOOZ ALLEN and HAMILTON, exhibit (1) pertains. This completes lead tasking at NEEA.

Exhibit

(1) IA: Interview of (b)(6), (b)(7)(C) 30Mar01...(Orig NENL Only)

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: NENL(M)

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(b)(6), (b)(7)(C)

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cc 4/5/01
4/9/01
#16800

Page 434 redacted for the following reason:

Page (434): Duplicate of page (432)

18836
23 Feb 01

XX0013X
//23A/NP/NL/LE//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (RUC)

12FEB01

COST MISCHARGE (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/CALE/CAMP LEJEUNE, NC

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(a) NENL ALS/22DEC00

CASE SUMMARY

1. Reference (a) tasked CALE to interview (b)(6), (b)(7)(C) pursuant to a contract he performed work while employed by C/BOOZ ALLEN AND HAMILTON INC. On 08Feb01, (b)(6), (b)(7)(C) was interviewed at his place of employment in Durham, NC concerning this work.

(b)(6), (b)(7)(C) advised that during the summer of 1995 when the work was performed, he was assigned as an intern with C/BOOZ ALLEN AND HAMILTON INC. He did not recall the specifics of the work performed during that time, nor did he recall any mention of mergers or acquisitions. His job entailed recording deliverables-related data onto spreadsheets, exhibit (1) pertains.

EXHIBIT

(1) IA: Results of Interview with
...(Copy NENL/CALE/Only)

(b)(6), (b)(7)(C)

08Feb01

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NCISHQ: 23A
NCISFO: NENP
INFO: NENL(M)/CALE

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(b)(6), (b)(7)(C)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

08FEB01

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NEEA/NCISRA EARLE, NJ [REDACTED] SPECIAL AGENT

Reference

(A) NENL ALS (Pending)/22Dec00

Case Summary

1. Pursuant to tasking set forth in reference (A) interviews were conducted with [REDACTED] regarding their knowledge of possible cost mischarging by C/BOOZ ALLEN AND HAMILTON, Exhibits (1) and (2) pertain.

2. [REDACTED] no longer lives at [REDACTED]
[REDACTED] The Fairlawn, NJ, Post Office had a forwarding address of [REDACTED] for [REDACTED] that was over a year old. [REDACTED] no longer lives at [REDACTED] that address is now occupied by [REDACTED] A current address of [REDACTED] 12723, was obtained for [REDACTED] telephone number [REDACTED] The address provided for [REDACTED] 1780 Madison Avenue, New York, NY, 10035, is the Davis Barber Shop in Harlem, NY.

3. [REDACTED] travels extensively on business and is not scheduled to return to the New York area until 18Feb01. Lead tasking is pending interviews of [REDACTED] and [REDACTED] Investigation continues.

Exhibits

- (1) IA: Interview of [REDACTED] /22Jan01...(Orig to NENL)
(2) IA: Interview of [REDACTED] 2Feb01...(Orig to NENL)

Distribution

NCISHQ: 0023
NCISFO: NENP
INFO: NENL

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

**TITLE: C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT
CCN: 01JUL98-NENL-0163-4MJD**

INVESTIGATIVE ACTION: Interview of (b)(6), (b)(7)(C)

On 22JAN01, Reporting Agent interviewed (b)(6), (b)(7)(C) in his office at David A. Fields DDS and Richard Kuwin DDS, 40 Bedford Road, Armonk, NY, concerning his knowledge of hours billed by C/BOOZ ALLEN AND HAMILTON INC. to the C/ELECTRIC BOAT CORPORATION purchase order. (b)(6), (b)(7)(C) stated that he never worked for C/BOOZ ALLEN AND HAMILTON INC. and in fact had never heard of them.

(b)(6), (b)(7)(C) stated that he arrived in the United States, from Peru, in December 1990. According to (b)(6), (b)(7)(C) he was employed for a short time, as a construction worker, at the Pleasantville Country Club, Armonk, NY. (b)(6), (b)(7)(C) stated that he has been employed as a dental technician since 1992. (b)(6), (b)(7)(C) provided his New York State Driver License, which listed the following information:

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) stated that he has no idea why his name was listed as an employee of C/BOOZ ALLEN AND HAMILTON INC.. (b)(6), (b)(7)(C) again stated that he never worked for C/BOOZ ALLEN AND HAMILTON INC..

BIOGRAPHICAL INFORMATION

(b)(6), (b)(7)(C)

REPORTING AGENT

(b)(6), (b)(7)(C)

Special Agent, NCISRA Earle, NJ

EXHIBIT (1)

WARNING

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

**TITLE: C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT
CCN: 01JUL98-NENL-0163-4MJD**

BIOGRAPHICAL INFORMATION

(b)(6), (b)(7)(C)

REPORTING AGENT

(b)(6), (b)(7)(C)

NCISRA Earle, Colts Neck, NJ

WARNING

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: Interview of (b)(6), (b)(7)(C)

On 02FEB01, Reporting Agent interviewed (b)(6), (b)(7)(C) in his home in Ridgewood, NJ, concerning his knowledge of possible cost mischarging by C/BOOZ ALLEN AND HAMILTON INC. (C/BAH). (b)(6), (b)(7)(C) is currently employed as a (b)(6), (b)(7)(C) of Textron, Providence, RI.

(b)(6), (b)(7)(C) stated that he worked for C/BAH from 03JAN93 through 15MAY95 and that about 99% of his work for C/BAH was at the shipyard in Groton, CT. (b)(6), (b)(7)(C) stated that he was employed as an associate and then a senior associate at C/BAH. According to (b)(6), (b)(7)(C) he worked on three separate projects while employed by C/BAH all on the C/ELECTIC BOAT CORPORATION (C/EBC) project. Those three projects were to come up with a new manufacturing strategy, a reengineering process and an extended enterprise plan that would help C/EBC to work with their supply base. (b)(6), (b)(7)(C) explained that C/EBC was going from manufacturing two submarines per year, down to one half submarine a year. (b)(6), (b)(7)(C) stated that his job was to help C/EBC position itself to be more cost effective and to work well with their suppliers.

(b)(6), (b)(7)(C) stated that he billed all his hours to C/BAH and that he submitted a weekly time sheet to C/BAH. (b)(6), (b)(7)(C) could not recall the specific form he used to report the hours he worked. (b)(6), (b)(7)(C) again stated that he was located in Groton, CT almost the entire time while working on the C/EBC project. After being provided with a copy of a C/BAH form, of hours charged in his name, (b)(6), (b)(7)(C) stated that the form did not look familiar. (b)(6), (b)(7)(C) stated that the hours charged looked a little light and that he thought he worked more hours than were reported. (b)(6), (b)(7)(C) did not know what the chargekey category meant but speculated that the number was probably used by C/BAH to charge C/EBC.

(b)(6), (b)(7)(C) stated that while working for C/BAH he was not involved in any planning or strategy associated with mergers and acquisitions. According to (b)(6), (b)(7)(C) the person to talk to about mergers and acquisitions, at C/BAH, would be (b)(6), (b)(7)(C) did not know if (b)(6), (b)(7)(C) was still employed by C/BAH. (b)(6), (b)(7)(C) stated that he did not do any work on the Bath Iron Works project because that project started after he left C/BAH in May 1995. (b)(6), (b)(7)(C) stated that he would provide whatever information he was able to regarding his work at C/BAH if needed in the future.

EXHIBIT (2)

WARNING

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

**TITLE: C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT
CCN: 01JUL98-NENL-0163-4MJD**

BIOGRAPHICAL INFORMATION

(b)(6), (b)(7)(C)

REPORTING AGENT

(b)(6), (b)(7)(C)

, NCISRA Earle, Colts Neck, NJ

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NENL

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (RUC)

31JAN01

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/GCGL/GREAT LAKES, IL (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE

(A) GCGL ALS/10JAN01

CASE SUMMARY

1. Since the submission of Ref (a), on 10Jan01 (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) Rockford, IL was interviewed and advised his Time Sheet for work hours he performed as a Project Engineer at Groton, CT for C/Booz Allen and Hamilton Inc. (C/BAH), appeared to be accurate. (b)(6), (b)(7)(C) denied any knowledge of impropriety by C/BAH or C/Electric Boat Corporation (C/EBC). Details of (b)(6), (b)(7)(C) statement are contained within Exhibit (1).

2. On 31Jan01, (b)(6), (b)(7)(C) Lake Forest, IL was interviewed and advised his Time Sheet for work hours he performed as a Consultant at Groton, CT for C/BAH appeared to be accurate. (b)(6), (b)(7)(C) denied any knowledge of impropriety by C/BAH or C/EBC. Details of (b)(6), (b)(7)(C) statement are contained within Exhibit (2).

EXHIBITS

- (1) IA: Results of Interview (b)(6), (b)(7)(C) Jan01... (NENL only)
- (2) IA: Results of Interview (b)(6), (b)(7)(C) 31Jan01... (NENL only)

DISTRIBUTION

NCISHQ: 0023A
NCISFO: NENP
INFO: NENL (M)/GCPF

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PAGE 1 LAST (b)(6), (b)(7)(C)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON INC
CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

On 10Jan01 [redacted] (b)(6), (b)(7)(C) was interviewed at his residence by Special Agent [redacted] (b)(6), (b)(7)(C) was advised the purposes for his interview concerned questionable overhead costs pertaining to consultant fees charged under Purchase Order (PO) SND124-022 by the Electric Boat Corporation (EBC), Groton, CT.

For background purposes [redacted] (b)(6), (b)(7)(C) advised he was employed by the Booz Allen and Hamilton Incorporated (BAH), New York, NY from Jun 94 through Sep94 as a Project Engineer at Groton, CT. [redacted] (b)(6), (b)(7)(C) stated his office was physically located in the Main Conference room of EBC, Groton, CT. [redacted] (b)(6), (b)(7)(C) advised he was a consultant and was assigned to work on the "Materials Management" of the project. It was his duty to review how components were managed/moved for the assembly of Navy Submarines. [redacted] (b)(6), (b)(7)(C) stated he was not a consultant for the "Labor Reduction" consulting effort but, knew consultants were working on the project to reduce the labor force, because of DOD "downsizing".

[redacted] (b)(6), (b)(7)(C) was afforded the opportunity to review his Labor Hours Time Sheet, appended as Enclosure (1). After the review, he stated the hours appeared to be accurate based on his recollection. [redacted] (b)(6), (b)(7)(C) denied knowing what a "Chargekey" represented or to what project number or name his hours were billed. [redacted] (b)(6), (b)(7)(C) recalled BAH management told him he could not charge more than "Eight Hours" daily for consultant fees. [redacted] (b)(6), (b)(7)(C) additionally advised that he could charge his meals not liquor to the Project. [redacted] (b)(6), (b)(7)(C) denied having any knowledge of impropriety concerning BAH or EBC.

[redacted] (b)(6), (b)(7)(C) denied having any knowledge of any planing or strategy associated with "Bath Iron Works (BIW) projects/acquisitions.

ENCLOSURES

(1) BAH Time Sheet [redacted] (b)(6), (b)(7)(C) dated Jun94/Sep94

Reported By: [redacted] (b)(6), (b)(7)(C), Special Agent

Office: NCISRA GREAT LAKES, IL

EXHIBIT (\)

WARNING

Page 443 redacted for the following reason:

Page (443), Enclosure (1): Write to Booz Allen & Hamilton, 8283 Greensboro Drive
McLean, Virginia 22102

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON INC
CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

On 31Jan01 [redacted] (b)(6), (b)(7)(C) was interviewed at his residence by Special Agent [redacted] (b)(6), (b)(7)(C) was advised the purposes for his interview concerned questionable overhead costs pertaining to consultant fees charged under Purchase Order (PO SND124-022) by the Electric Boat Corporation (EBC), Groton, CT.

For background purposes [redacted] (b)(6), (b)(7)(C) advised he was employed by Booz Allen and Hamilton Incorporated (BAH), New York, NY from Sep94 through Mar96 to develop a comprehensive program to reduce the labor and overhead costs charged to the U.S. Government by the Electric Boat Corporation and the Bath Iron Works Corporation in the assembly of Navy submarine ship building contracts [redacted] (b)(6), (b)(7)(C) [redacted] (b)(6), (b)(7)(C) stated his duties were primarily that of a consultant and that it included "Post the acquisition, worked to determine synergistic savings as a result of the General Dynamics purchase."

[redacted] (b)(6), (b)(7)(C) was afforded the opportunity to review his labor time sheet, appended as Enclosure (1). After reviewing the time sheet he stated the labor hours appeared to be accurate based on his recollection. [redacted] (b)(6), (b)(7)(C) denied any knowledge of what a "Chargekey" represented or to what project his labor was charged [redacted] (b)(6), (b)(7)(C) stated Booz Allen and Hamilton would only allow him to billed eight hours daily but, that these hours were billed to the project monthly. He additionally stated his meals and travel expenses were billed to the project. [redacted] (b)(6), (b)(7)(C) denied having any knowledge of impropriety concerning any of the contractors who provided consulting or work on this or any project [redacted] (b)(6), (b)(7)(C) [redacted] (b)(6), (b)(7)(C) provided a letter addressed to Special Agent [redacted] (b)(6), (b)(7)(C) concerning his knowledge of the Booz Allen and Hamilton consulting project he worked on at Groton, CT, Enclosure (2) applies.

ENCLOSURES

- (1) Two Time Sheets [redacted] (b)(6), (b)(7)(C) 01Jun93 through 30Jun95 & 15Jul95 through 15Oct95
- (2) Letter [redacted] (b)(6), (b)(7)(C) 25Jan01

Reported By: Special Agent [redacted] (b)(6), (b)(7)(C)
Office: NCISRA GREAT LAKES, IL

Pages 445 through 449 redacted for the following reasons:

(b)(6), (b)(7)(C), Pages (447) - (449), Enclosure (2)

Pages (445) - (446), Enclosure (1): Write to Booz Allen & Hamilton, 8283 Greensboro Drive, McLean, Virginia 22102

FR0486B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

22DEC00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT,

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ROI/23Oct00

Case Summary

1. Ref (a) reported that a correspondence was received from C/Booz Allen & Hamilton (C/BAH) containing the names of all the consultants who worked on the C/Electric Boat Corporation purchase order. The document submitted by C/BAH was incomplete, in that, the information only contained C/BAH consultants until 1996. However, the original request to C/BAH was for the identities of consultants that were employed until the end of the purchase order, Aug99. On 30Nov00, a comprehensive supplemental report was provided by C/BAH which contain the names of consultants, their hours billed to the C/EBC purchase order and the internal "Chargekey" numbers used by C/BAH for this contract. Review of this report identified 20 consultants who were used on this purchase order from Apr96 until the end of the contract in Aug99. This investigation is pending the interview of all C/BAH consultants in order to determine if they billed their costs exclusively with the C/EBC downsizing effort.

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Assistant US Attorney Heather Epstein (M)/Commanding Officer, SUPSHIP (M)

(b)(6), (b)(7)(C)

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(b)(6), (b)(7)(C)

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FR0484B

//23/NP/EA/NY/GL/CP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

22DEC00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT,

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

- (A) NENL ROI/23Oct00
- (B) NENL ROI/20Jun00

Case Summary

1. This investigation was initiated after the review of a Defense Contract Audit Agency (DCAA) audit on overhead costs incurred by C/Electric Boat Corporation (C/EBC). This review disclosed the high cost of consulting fees and the lack of documentation in support of these consulting fees by their consultant, C/Booz Allen & Hamilton (C/BAH). On 16Apr99 a DCAA form 2000, Suspected Irregularity Referral Form, was submitted which further documented non-conformance to the consulting chapter of the Federal Acquisition Regulation (FAR) 31-205-33, and C/EBC Corporate Policy and Procedure.

2. In Dec99 a DOD-IG subpoena was served at C/BAH (legal) in order to obtain the names and hours expended by consultants who worked on the C/EBC purchase order. Since the serving of the above subpoena, two amendments were agreed to between NCIS and C/BAH legal which resulted in the names of C/BAH consultants who worked on the C/EBC purchase order until the close of this contract, Aug99. To date, the completed purchase order amounts to approximately \$23.3 million dollars.

3. Subsequent to submission of Ref (a), interview of former C/Booz Allen & Hamilton (C/BAH) consultants who worked on the C/Electric Boat Corporation Purchase order SND124-022 continue. Interviews of these consultants focus on the type of work conducted, verification of all hours expended, and whether their work at C/EBC included preparation for mergers or acquisitions. The results from these random interviews are mixed. In that, most of the consultants interviewed agreed with the hours/expenses worked; however, some interviewees worked on a project closely associated with an acquisition which is strictly forbidden by FAR.

4. Ref (b) contain the result of a telephonic interview with a former consultant, (b)(6), (b)(7)(C) White Plains, NY. The interview reported that (b)(6), (b)(7)(C) is a dental hygienist and has never worked for C/BAH. At the request to the AUSA assigned to this case, she asked that an agent physically interview (b)(6), (b)(7)(C) and along

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C/BOOZ ALLEN AND HAMILTON INC

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

with the questions below; obtain his date of birth and social security number. This case is pending the interviews of all the C/BAH who worked on the C/EBC purchase order.

Exhibits

- | | | |
|-----------------------|-------------------|-----------------------------------|
| (1) BAH hours charged | (b)(6), (b)(7)(C) | various dates...(copy CACP only) |
| (2) BAH hours charged | | various dates...(copy NEEA only) |
| (3) BAH hours charged | | various dates...(copy NEEA only) |
| (4) BAH hours charged | | /various dates...(copy NEEA only) |
| (5) BAH hours charged | | ous dates...(copy NEEA only) |
| (6) BAH hours charged | | rious dates...(copy NEEA only) |
| (7) BAH hours charged | | /various dates...(copy GCGL only) |
| (8) BAH hours charged | | various dates...(copy GCGL only) |

Action/Lead

L.CACP. Interview [redacted] who resides at [redacted]
[redacted] and utilizing exhibit (1), ask him the following questions:

1. After reviewing the exhibit, can the interviewee state where they were physically located while working for the C/EBC purchase order and can they verify the hours billed to C/BAH for the time worked on the C/EBC purchase order?
2. What were their specific responsibilities while working for C/BAH on the C/EBC purchase order? Was there a project title associated with Chargekey categories? Does the interviewee know what the different Chargekey categories mean?
3. While working on the EBC purchase order was there any planning or strategy associated with mergers and acquisitions? Any work conducted on the "Bath Iron Works (BIW) project"/ BIW acquisition?

L.NEEA.. Interview [redacted] and utilizing exhibit (2), ask him the questions listed above.

Interview [redacted] and utilizing exhibit (3), ask him the questions listed above.

Interview [redacted] and utilizing exhibit (4), ask him the questions listed above.

Interview [redacted] tel: [redacted] and utilizing exhibit (5) ask him the questions listed above.

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PAGE 2

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C/BOOZ ALLEN AND HAMILTON INC
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

Physically interview [REDACTED] (b)(6), (b)(7)(C)

[REDACTED] (b)(6), (b)(7)(C) and along with his personal identifying data and utilization of exhibit (6) ask him the questions above.

Interview [REDACTED] (b)(6), (b)(7)(C)

[REDACTED] (b)(6), (b)(7)(C) and question him why he charged \$1,167 in expenses to C/EBC under the purchase order from Jun93 until Jun95 yet, he charged no hours against the same purchase order.

L.GCGL...Interview [REDACTED] (b)(6), (b)(7)(C)

[REDACTED] (b)(6), (b)(7)(C) and using exhibit (7) ask him the questions listed above.

Interview [REDACTED] (b)(6), (b)(7)(C)

[REDACTED] (b)(6), (b)(7)(C) and utilizing exhibit (8) ask him the questions listed above.

Distribution

NCISHQ: 0023 (M)

NCISFO: NENP (M)

ACTION: CACP (M) /NEEA (M) /GCGL (M)

INFO: GCPF

[REDACTED] (b)(6), (b)(7)(C)
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PAGE 3 LAST [REDACTED] (b)(6), (b)(7)(C)

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Pages 454 through 467 redacted for the following reasons:

Pages (454) - (467), Exhibits (1) - (8): Write to Booz Allen & Hamilton, 8283 Greensboro Drive, McLean, Virginia 22102

FR0476B

//23/NP/WA//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET. (PENDING)

21NOV00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NENL ROI/23Oct00

Case Summary

1. An extraordinary amount of corporate acquisitions by General Dynamics, Inc, took place during the seven years that C/Booz Allen & Hamilton (C/BAH) were consulting for C/Electric Boat Corporation (C/EBC). Mergers and acquisitions are strictly unallowable for consultants under the Federal Acquisition Regulation 31.205-27. In Sep95, a major acquisition by General Dynamics, C/EBC's parent company, of Bath Iron Works, Bath, ME, was made. Interviews of former C/BAH consultants who worked as consultants to the C/EBC project have also worked as consultants on the Bath Iron Works project. Since the paper work relating to major acquisitions are publicly held documents with the Securities and Exchange Commission (SEC), a determination needs to be made whether C/BAH, in fact, assisted in the acquisition process.

Action/Lead

L.DCWA...Obtain the SEC filing for the acquisition of Bath Iron Works by General Dynamics (9/95). The files needed are the S-3 or S-4 documents.

Distribution

NCISHQ: 0023
NCISFO: NENP
ACTION: DCWA

FOIA(b)(6), (b)(7)(C) OFFICIAL USE ONLY
P. 1 LAST (b)(6), (b)(7)(C)

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FR0462B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

23OCT00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

(A) NCISRA New London ROI/21Aug00

Case Summary

1. Reference (a) reported that on 15Aug00 additional information requested by Assistant U.S. Attorney Heather Epstein was forwarded, via telephone on 16Aug00, to (b)(6), (b)(7)(C) of C/Booz Allen and Hamilton (C/BAH). Subsequent to reference (a), on 03Oct00 an investigative lead was submitted to the NCISHQ Investigative Support Department in an effort to locate 14 former consultants of BAH. The addresses of these consultants are needed in anticipation of their respective interviews. On 19Oct00, correspondence dated 10Oct00, was received from C/BAH in answer to the above request from reference (a), exhibit (1).

Exhibits

(1) Correspondence/BAH/10Oct00...(copy AUSA Epstein, Command only)

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Heather Epstein Assistant US Attorney, New Haven,
CT (M) (b)(6), (b)(7)(C) Navy Representative CIPO/Commanding
Officer, SUPSHIP, Groton, CT (M)

*(F) 24 OCT 00
pg # 8115
(M) 24 OCT 00*

(b)(6), (b)(7)(C)

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Pages 470 through 473 redacted for the following reasons:

Pages (470) - (473), Exhibit (1): Write to Booz Allen & Hamilton, 8283 Greensboro Drive, McLean, Virginia 22102

FR0459B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

03OCT00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT, (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

(A) NENL ISR/21Aug00

Case Summary

1. Ref (a) reported the Assistant US Attorney, Heather Epstein, assigned to this case requested additional information from C/Booz Allen and Hamilton (C/BAH), in lieu of another subpoena. Further, more information needs to be obtained from all of the former BAH consultants listed in the original subpoena. Efforts to obtain these addresses, via the internet, had limited success. The following are the names and last known addresses from BAH consultants listed in the original subpoena (Feb00). The remaining consultants will be interviewed.

Action/Lead

A.0023C...Attempt to locate the following 14 former employees of C/BAH whose last known addresses are listed as follows:

1.
2.
3.
4.
5.
6.
7.
8.

(b)(6), (b)(7)(C)

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01JUL98-NENL-0163-4MJD

03OCT00

C/BOOZ ALLEN AND HAMILTON INC

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

9.
10
11
12
13
14

(b)(6), (b)(7)(C)

Distribution

NCISHQ: 0023
NCISFO: NENP
ACTION: 0023C

*(F) 6 OCT 19
Page # 8045*

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(b)(6), (b)(7)(C)

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FR0437B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

21AUG00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT/ (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

(A) NCISRA New London ROI/20Jun00

Case Summary

1. On 08Jun00, reporting agent visited the office of Heather Epstein, Assistant U.S. Attorney, New Haven, CT, in order to discuss a strategy for this investigation. From these discussions it was agreed that inquiries with the Department of Labor (DOL) from the state of New York should be made to determine the wages earned by the consultants from C/Booz Allen & Hamilton (C/BAH) during the course of the Electric Boat Corporation contract. A comparison could then be made with the consultant earnings from C/BAH (previously requested by subpoena) and the earnings reported by DOL-NY. Inquiries with local, state, and federal agencies located in the state of New York as well as state and federal agencies in Connecticut were made from 09Jun00 - 24Jun00 for the C/BAH earnings. Attempts to obtain these files were futile due to the strict disclosure laws in the state of New York.

2. On 15Aug00, reporting agent contacted AUSA Epstein who provided additional information needed to be obtained from C/BAH, to include the exact time period each employee worked at C/BAH and the hourly rate given to each employee. This additional request was needed for the consultants listed in the first subpoena and for any consultants employed after 30Jun95 until the end of the contract. On 16Aug00, (b)(6), (b)(7)(C) legal counsel for C/BAH was telephonically contacted and was provided with the information requested by AUSA Epstein. (b)(6), (b)(7)(C) advised that C/BAH would comply with this request.

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Heather Epstein, Assistant US Attorney, New Haven, CT (M) /
CIPO (Attn: (b)(6), (b)(7)(C) Navy representative) (M) /
Commanding Officer, SUPSHIP, Groton, CT (M)

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FR0426B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

20JUN00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

(A) NCISRA New London ROI/20Apr00

Case Summary

1. Using the subpoenaed documents obtained from C/Booz Allen and Hamilton (C/BAH), a fraud survey was initiated to verify the correct costs of those former consultants who billed labor hours and expenses on the purchase order that Electric Boat Corporation (EBC) awarded to C/BAH. According to C/BAH records, (b)(6), (b)(7)(C) a former consultant, billed this contract 40 hours and charged \$954 in expenses. On 24May00, (b)(6), (b)(7)(C) was interviewed by participating agent (b)(6), (b)(7)(C) and said he worked for C/BAH from Jun95-Aug95 as an intern. (b)(6), (b)(7)(C) said that he consulted on the Seawolf submarine project at EBC, exhibit (1) pertains.

2. According to C/BAH records, (b)(6), (b)(7)(C) a former consultant, billed 1152 hours and charged \$22,643 of expenses. On 16May00, (b)(6), (b)(7)(C) was interviewed by participating agent (b)(6), (b)(7)(C) after first consulting with C/BAH counsel. (b)(6), (b)(7)(C) said he worked on about 12 different projects, including the purchase order with C/EBC. (b)(6), (b)(7)(C) said he provided the same type of planning and strategy management consulting to the Bath Iron Works project, exhibit (2) pertains.

3. According to C/BAH records, (b)(6), (b)(7)(C) a former C/BAH consultant billed 1276 hours to the EBC project and incurred \$25,262 in expenses. Participating agent (b)(6), (b)(7)(C) telephonically contacted (b)(6), (b)(7)(C) who, verified his address and stated that he was never employed by C/BAH. (b)(6), (b)(7)(C) said that he is employed as a dental hygienist.

4. According to C/BAH records, (b)(6), (b)(7)(C) billed 312 hours and charged \$4,274 to the EBC project. Efforts were made to interview (b)(6), (b)(7)(C) at his address, (b)(6), (b)(7)(C) (b)(6), (b)(7)(C), but these inquiries were futile. Additional efforts including inquiries of telephone listing information and computer data base name searches for DC, MD, VA, and DE were unproductive.

5. On 13Jun00, Heather Epstein, assistant US Attorney, civil

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C/BOOZ ALLEN AND HAMILTON INC

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

division, was briefed on this investigation.

Exhibits

- (1) IA: Results of Interview, [redacted] May00...(copy US Attorney's office only)
(2) IA: Results of Interview, [redacted] 6May00...(copy US Attorney's office only)

Participating Agents

[redacted] Special Agent, NCISRA Earle, NJ
[redacted] Special Agent, NCISFO Washington, DC

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Heather Epstein, assistant US Attorney, New Haven,
CT(M)/CIPO (Attn: [redacted] Navy Representative) (M)
Commanding Officer, SUPSHIP, Groton, CT(M)

[redacted] b)(6), (b)(7)(C)

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[redacted] b)(6), (b)(7)(C)

*amb(E) 219jun00
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(m) 219jun00*

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TITLE: C/BOOZ ALLEN AND HAMILTON, INC
CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: INTERVIEW OF

(b)(6), (b)(7)(C)

On 24May00 (b)(6), (b)(7)(C) was interviewed by Special Agents (b)(6), (b)(7)(C) of the NCIS Washington Field Office. (b)(6), (b)(7)(C) was interviewed in connection with an investigation into possible cost mischarging by Booz Allen and Hamilton, Inc. (BAH) to a purchase order awarded by the Electric Boat Corporation (EBC) between Jun93-Jun95. (b)(6), (b)(7)(C) who is currently employed as the Director of Business Development and Strategy for Lyte, Inc., advised he was an intern at Booz Allen from Jun95-Aug95 and would therefore not have extensive or detailed knowledge of the internal workings of the company.

(b)(6), (b)(7)(C) was asked how many hours the Booz Allen employees charged to the BAH project at the Electric Boat Corporation from Jun93-Jun95. (b)(6), (b)(7)(C) replied that he was not there during that time period and had no knowledge of the number of hours charged to the EBC project. He noted that he was only an intern at BAH from Jun95 through Aug95.

(b)(6), (b)(7)(C) was asked what types of expenses (travel/meals) were charged to the BAH project. He responded that travel expenses, the cost of meals, incidentals, business telephone calls, and lodging expenses were charged to this account. He indicated these types of expenses would normally be charged by BAH to the company for which the expenses were incurred.

(b)(6), (b)(7)(C) was then asked what types of consulting work was performed for the project in question. He replied that BAH consulting was generally directed towards improvement and re-engineering of daily operations. Specifically (b)(6), (b)(7)(C) said BAH was looking to improve the way General Dynamics was working on the Seawolf submarine project.

In response to a question about whether BAH had charged any consulting work to the Bath Iron Works project, (b)(6), (b)(7)(C) advised that he had no personal knowledge of any such charges. However, he noted that General Dynamics (GD) had acquired the Bath Iron Works, and he therefore believed that some consulting work was charged to the Bath Iron Works project. He reiterated that he had no direct personal knowledge of such charges.

Asked whether any work involving mergers and/or acquisitions had been performed by BAH in connection with this project, (b)(6), (b)(7)(C) replied he thought so, but stated he had no firsthand knowledge of the details of such work.

Finally, (b)(6), (b)(7)(C) was asked if a report on BAH's work on this project was written and, if so, to whom was it submitted? (b)(6), (b)(7)(C) replied that to his knowledge, no specific single report was written. However, he noted that all operating expenses and deliverables would have been reported and charged via invoices sent to the pertinent companies. (b)(6), (b)(7)(C) advised that BAH work on this project would be reflected in the invoices sent to the concerned companies.

During the course of this interview, (b)(6), (b)(7)(C) was open and cooperative. He responded to all questions and gave the impression he was attempting to provide accurate and detailed answers. However, he noted that his time at BAH was spent as an intern and was of short duration. Therefore, he did not have detailed information of the inner workings of BAH or intimate knowledge of the work performed on the project in question.

EXHIBIT (1)

BIOGRAPHIC INFORMATION

(b)(6), (b)(7)(C)

Reporting Agent: (b)(6), (b)(7)(C) Special Agent
Office: NCISFO Washington, DC

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT
CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: Interview of (b)(6), (b)(7)(C)

On 16MAY00, Reporting Agent interviewed (b)(6), (b)(7)(C) in his office at the Sprout Group, New York, NY, concerning his knowledge of possible cost mischarging by C/BOOZ ALLEN AND HAMILTON INC. (C/BAH). (b)(6), (b)(7)(C) stated that he is currently employed as a vice president of the Sprout Group, where he has been for about the past two years.

(b)(6), (b)(7)(C) could not recall the exact dates he was employed by C/BAH but stated that it was from about AUG94 to AUG96. (b)(6), (b)(7)(C) stated that he was employed as an associate and then a senior associate at C/BAH, in their New York, NY office. According to (b)(6), (b)(7)(C) he worked on about twelve different projects while employed at C/BAH, one of which was the C/ELECTRIC BOAT CORPORATION (C/EBC) project. (b)(6), (b)(7)(C) stated that he began working on the C/EBC project around the end of 1995.

(b)(6), (b)(7)(C) stated that while working on the C/EBC project, he would submit a time sheet every two weeks that reflected how many hours he had worked on the project. (b)(6), (b)(7)(C) believed that all employees working on the project were required to submit similar time sheets. (b)(6), (b)(7)(C) stated that he did not have any records regarding his work while at C/BAH and that all such records were retained by C/BAH when he stopped working there. According to (b)(6), (b)(7)(C) he left C/BAH to pursue a different line of work and that his departure was amicable.

(b)(6), (b)(7)(C) stated that he performed management consulting on the C/EBC project, providing advice on planning and strategy. (b)(6), (b)(7)(C) could not recall how many hours he charged to the C/EBC project and stated that he did not want to give even an estimate because he really could not remember how many hours he worked on the project. (b)(6), (b)(7)(C) stated that the expenses he did charge on the project were for travel, meals and hotel lodging. (b)(6), (b)(7)(C) could not recall the amount of the expenses charged but stated that his charges were minimal since he drove up to the project in Connecticut every week from New York, NY.

(b)(6), (b)(7)(C) stated that he provided the same type of planning and strategy management consulting to the Bath Iron Works project but that he spent very little time on it. According to (b)(6), (b)(7)(C) he did not perform any work involving mergers or acquisitions. (b)(6), (b)(7)(C) stated that he was not very senior while working on the C/EBC project. (b)(6), (b)(7)(C) stated that all of the reports he prepared were submitted to either (b)(6), (b)(7)(C) both of whom were partners at C/BAH, as well as his

WARNING

EXHIBIT (2)

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT
CCN: 01JUL98-NENL-0163-4MJD

direct supervisors. (b)(6), (b)(7)(C) stated that (b)(6), (b)(7)(C) was the lead partner from C/BAH on the C/EBC project.

(b)(6), (b)(7)(C) stated that he never saw any instances of cost mischarging or fraud while employed by C/BAH. According to (b)(6), (b)(7)(C) if anything, his hours charged to the C/EBC project were underestimated. (b)(6), (b)(7)(C) stated that in an effort to provide quality work on the project he would often work on it while at home or on the weekends. (b)(6), (b)(7)(C) estimated that his hours charged to the C/EBC project may have been under reported by as much as 30-40%. (b)(6), (b)(7)(C) stated that before meeting with Reporting Agent he contacted C/BAH'S legal counsel. (b)(6), (b)(7)(C) was told by C/BAH'S legal counsel to cooperate with the investigation and provide whatever information he could.

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT

(b)(6), (b)(7)(C) NCISRA Earle, Colts Neck, NJ
OFFICE: NCISRA Earle, Colts Neck, NJ

WARNING

FR0409B

//23/NP/ML/WA//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

20APR00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

- (A) NENL ROI/28Feb00
- (B) NENL ALS/06Apr00

Case Summary

1. Subsequent to submission of reference (a), on 21Mar00 reporting agent met with (b)(6), (b)(7)(C), both DCAA auditors, to examine the pay records previously subpoenaed from C/Booz Allen and Hamilton (C/BAH). The meeting focused on verification of all hours and expenses billed to the purchase order awarded by C/Electric Boat Corporation (C/EBC) from Jun93-Jun95. The consensus from this meeting was to have a select number of former C/BAH employees interviewed in order to verify the correct costs incurred to the purchase order.

2. In response to a lead set forth in reference (b), several former C/BAH employees have been identified and need to be interviewed. Questions suggested by the auditors that should be asked are:

1. How many hours did the employees charge to the C/BAH project at EB from Jun93-Jun95?
2. What type of expenses (travel/meals) were charged to the C/BAH project? How much?
3. What type a consulting work was performed?
4. Was any consulting work charged to the Bath Iron Works project?
5. Was there any work performed involving mergers and/or acquisitions?
6. If a report was written, who was it submitted to?

Action/Lead

L.NYML...Utilizing the questions above as a guide, interview (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) tel: (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) Also interview (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C)

L.DCWA...Utilizing the questions above as a guide, interview (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) and (b)(6), (b)(7)(C)

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01JUL98-NENL-0163-4MJD

20APR00

C/BOOZ ALLEN AND HAMILTON INC
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C)

Distribution

NCISHQ: 0023

NCISFO: NENP

ACTION: NEML/DCWA

(E) 24 APR 00 15
pg 4 7362

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(b)(6), (b)(7)(C)

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FR0410B

//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

20APR00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ROI/28Feb00

Case Summary

1. Subsequent to submission of reference (a), on 21Mar00 reporting agent met with (b)(6), (b)(7)(C) both DCAA auditors, to examine the pay record previously subpoenaed from C/Booz Allen and Hamilton Inc (C/BAH). The meeting focused on verification of all hours and expenses billed to the purchase order awarded to BAH by C/Electric Boat Corporation (C/EBC) from Jun93-Jun95. The consensus from this meeting was to initially have a select number of former C/BAH employees interviewed in order to verify the correct costs incurred to the purchase order.

2. A lead request attempted to locate several former employees of C/BAH who worked on the C/EBC purchase order. In answer to the above lead, six former C/BAH employees were located. On 17Apr00, an attempt to interview (b)(6), (b)(7)(C) a former consultant to C/BAH, who resides at (b)(6), (b)(7)(C) was initiated. The person answering the call indicated the correct residence for (b)(6), (b)(7)(C) but stated that he never worked for C/BAH.

3. On 17Apr00, (b)(6), (b)(7)(C) former C/BAH employee was telephonically contacted and said that he worked on the purchase order with C/EBC from 93-95. He verified that he charged 1000 hours to this contract during the specified time and added that he did not consult on another C/BAH contract with Bath Iron Works. Amplifying details are provided in exhibit (1). Lead requests to have the remaining consultants interviewed will be completed under a separate correspondence.

Exhibit

(1) IA: Results of Interview (b)(6), (b)(7)(C) 7Apr00

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: CIPO (Attn: (b)(6), (b)(7)(C)

Navy Representative) (M)

(b)(6), (b)(7)(C)
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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON INC

CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

On 17Apr00, (b)(6), (b)(7)(C) former C/Booz Allen and Hamilton Inc (BAH) employee, was telephonically interviewed by reporting agent at his residence, (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) Prior to any questions being asked, Special Agent (SA) (b)(6), (b)(7)(C) identified himself verbally. (b)(6), (b)(7)(C) was questioned concerning the hours he charged to BAH while consulting for Electric Boat Corporation (EBC). Feraco provided the following information:

He said that a total of 2000-2400 hours of consulting work was billed for the EBC project. He worked on this project in the summer of 1993, five months in 1994, and from September through December in 1995. For the purposes of the parameters in this case from Jun93-Jun95, he worked three months in 1993 and four or five months in 1994. SA (b)(6), (b)(7)(C) told him that BAH provided information that he billed 1000 hours during the above time period. He verified that 1000 was correct.

He added that during this time he did not work on the Bath Iron Works project or any project other than EBC. After 1995, (b)(6), (b)(7)(C) consulted for the General Dynamic Marine Group.

(b)(6), (b)(7)(C) provided no further pertinent information.

REPORTED BY:
OFFICE:
DATE TYPED:

(b)(6), (b)(7)(C)
NCISRA NEW LONDON, CT
20APR00

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EXHIBIT (1)

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FR0403B
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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

06APR00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT,

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NENL ROI/28Feb00

1. Subsequent to the submission of reference (a), on 21Mar00 reporting agent met with (b)(6), (b)(7)(C) both DCAA auditors, to examine the pay records subpoenaed from C/Booz Allen and Hamilton (C/BAH). The discussion focused on verification of all hours billed to the purchase order awarded by C/Electric Boat Corporation from Jun93-Jun95. The consensus from this meeting was to have a select number of former C/BAH employees interviewed in order to verify the correct incurred costs billed to the purchase order. Efforts to telephonically contact former C/BAH employees was futile.

Action/Lead

A.0023C...Attempt to locate the following ten former employees of C/BAH whose last known addresses are listed:

(b)(6), (b)(7)(C)

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NCISFO: NENP
ACTION: 0023C

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(b)(6), (b)(7)(C)

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FR0385B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

28FEB00

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT/ (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

(A) NCISRA New London ROI/28Dec99

Case Summary

1. Subsequent to submission of reference (a), on 20Dec99, the DODIG Subpoena Duces Tecum, 2000006-7255, was delivered in hand to (b)(6), (b)(7)(C) Executive Administrative Assistant, Law Department, C/Booz Allen and Hamilton Inc (C/BAH). The Certificate of Return of Service is appended as exhibit (1).

2. 11Jan00, (b)(6), (b)(7)(C) counsel for C/BAH telephonically contacted reporting agent to discuss compliance of the subpoena. (b)(6), (b)(7)(C) requested that NCIS allow them to summarize the work hours of C/BAH personnel who worked on the C/Electric Boat Corp purchase order instead of providing professional time reports. Telephonic contact with (b)(6), (b)(7)(C) DCAA, the auditor who will examine all subpoenaed documents, agreed with C/BAH's request. (b)(6), (b)(7)(C) was subsequently informed.

3. On 15Feb00, (b)(6), (b)(7)(C) was telephonically contacted and questioned concerning compliance with the subpoena. Reporting agent reminded (b)(6), (b)(7)(C) that it has been over one month since the subpoena had been revised and almost two months since the subpoena was served. (b)(6), (b)(7)(C) said the figures for the subpoena are almost complete and compliance of the subpoena will be done in the near future.

Exhibits

(1) Certificate of Return of Service/BAH/14Dec99

Distribution

NCISHQ: 0023
NCISFO: NENP

(b)(6), (b)(7)(C)

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CERTIFICATE OF RETURN OF SERVICE

I HEREBY CERTIFY that on December 14, 19 99

at NCISRA Mitchel Field, Westbury, NY I received the attached subpoena.

I further certify that on December 20, 19 99

at or about 11:30 a m. at 101 Park Ave, New York City I personally

served the subpoena upon

(b)(6), (b)(7)(C)

Law Department, Booz, Allen & Hamilton, 101 Park Ave, New York, NY.

By

(b)(6), (b)(7)(C)

Special Agent, Naval Criminal Investigative Service

Date December 21, 1999

DD Form 2287 Reverse, MAY 1999 (EG)

UNIQUE IDENTIFICATION NUMBER: 2000006-7255

11-17-99 17:48

RECEIVED FROM: 7036048720

EXHIBIT (1)

FR0357B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

28DEC99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ISR/29Oct99

Case Summary,

1. Subsequent to submission of reference (a), a Subpoena Duces Tecum was signed on 15Nov99 and later arrived on 17Nov99, exhibit (1) pertains. A lead to have exhibit (1) presented to the custodian of records for Booz Allen and Hamilton (BAH) was sent to a NCISRA Mitchel Field on Long Island, NY for immediate delivery. Investigation is pending receipt of the Return of Service document.

Exhibit

(1) SUBPOENA DUCES TECUM/BAH/15Nov99

Distribution

NCISHQ: 0023

NCISFO: NENP

*(F) 4 juw 95 15
peg # 6521*

(b)(6), (b)(7)(C)

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PAGE 1 LAST

(b)(6), (b)(7)(C)

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AUTHORIZATION FROM THE NAVAL CRIMINAL INVESTIGATIVE SERVICE.

United States of America
Department of Defense
Office of the Inspector General

SUBPOENA DUCES TECUM

TO Custodian of Records, Booz, Allen and Hamilton, Incorporated, 101 Park Avenue,
New York, New York 10178

YOU ARE HEREBY COMMANDED TO APPEAR BEFORE Special Agent (b)(6), (b)(7)(C) or
any Special Agent of the United States Naval Criminal Investigative Service (NCIS) acting on
behalf of the Inspector General, pursuant to the Inspector General Act of 1978 (5 U.S.C.
App. 3), at the Naval Criminal Investigative Service Resident Agency, Building 98 in the City
of Groton Submarine Base and State/District of Connecticut on the 17th day of DECEMBER 1999,
at 10 o'clock a.m. of that day.

You are hereby required to bring with you and produce at said time and place the following
information, documents, reports, answers, records, accounts, papers, and other data and
documentary evidence pertaining to any and all records relating to services provided to
Electric Boat Corporation, a Department of Defense contractor, under purchase order
SND124-022, covering the period of June 1, 1993, through June 30, 1995, as specified in
Appendix A, which are necessary in the performance of the responsibility of the Inspector
General under the Inspector General Act to conduct and supervise audits and investigations
relating to, and to promote economy, efficiency, and effectiveness in the administration of, and
to prevent and detect fraud and abuse in, the programs and operations of the Department of
Defense.

IN TESTIMONY WHEREOF, the signature of the
undersigned Inspector General of the Department of
Defense is affixed at Arlington, Virginia, this 15th
day of November 1999.

(b)(6), (b)(7)(C)

UNIQUE IDENTIFICATION NUMBER: 2000006-7255

DD Form 2287, MAY 1999 (EG)

Previous editions are obsolete.

APPENDIX A

Any and all records, regardless if stored in paper files, magnetic tape, optical disk, electronic or other media, must be produced, including, but not limited to:

1. All professional time report documents that reflect the bi-monthly hourly rate and hours worked by Booz, Allen and Hamilton, Incorporated, employees on Electric Boat Corporation purchase order SND124-022. Additionally, any supporting hourly wage documentation needed to bolster the above professional time reports. An example of a professional time report, previously submitted to the Defense Contract Audit Agency, is provided as Appendix B.

2. All travel claims completed and/or submitted by Booz, Allen and Hamilton, Incorporated, employees in conjunction with work performed under Electric Boat Corporation purchase order SND124-022.

3. All personnel records for current and former corporate officers and employees who worked on Electric Boat Corporation purchase order SND124-022. In lieu of personnel records, a list may be provided that identifies the officers and employees by full name, current and last known address, home telephone number, date of birth, Social Security number, and job title. A list will be accepted provided that the complete personnel records remain available for production and/or review if necessary.

The required records include those that were prepared, written, sent, dated, received, or became applicable during the period of June 1, 1993, through June 30, 1995. All records required shall be produced in their entirety, including all exhibits, attachments, and enclosures.

UNIQUE IDENTIFICATION NUMBER: 2000006-7255

Time 06-08-30

P. 08

PROFESSIONAL TIME REPORT
From: Sep 16, 1996 To: Sep 30, 1996
Version 1.6
Sent on Oct 02, 1996

Emp [redacted] Name: [redacted]

Billable Activity	Standard Hours ->														Total
	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	
Client	16	17	18	19	20	21	22	23	24	25	26	27	28	29	88
[redacted]	0	8	0	0	0	0	0	0	0	0	0	0	0	0	0
[redacted]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
[redacted]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
[redacted]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Billable	16	25	18	19	20	21	22	23	24	25	26	27	28	29	88

Non-Billable Activity	Standard Hours ->														Total
	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	
U - Unassigned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
E - Vacation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
H - Holiday	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F - Illness	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
P - Personal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D - Disability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
L - LWOP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total non-Billable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Hours	16	25	18	19	20	21	22	23	24	25	26	27	28	29	88

Detail of Personal Absence
Date [redacted] hrs [redacted] Explanation [redacted]

Utilization
80.8%

CERTIFICATE OF COMPLIANCE

I, _____, _____ of
(Name) (Title)

(Company/Institution/Agency)

certify the records I provided (either) to Special Agent _____,

or by certified mail accountability number _____, return receipt

requested, are accurate, complete, and in full compliance with the Department of Defense

Inspector General Duces Tecum number _____
(Unique Identification Number)

The following subpoenaed records are not provided. (If documents are withheld based on privilege, identify each document, specify its author and addressee, date, subject matter, all persons or entities to whom copies were furnished, and the basis of your claim of privilege.)

(Use attachment if necessary)

In accordance with Title 28, United States Code, Section 1746, I certify under penalty of perjury the foregoing is true and correct.

(Signature of Respondent)

(Date)

FR0342B

//23/NP/ML//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (PENDING)

26NOV99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT,

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ISR/29Oct99

Case Summary

1. This case was initiated because of suspected irregularities identified in a DCAA audit of indirect overhead costs. Within this audit, C/Booz Allen and Hamilton Inc (C/BAH), a subcontractor, is believed to have submitted to C/Electric Boat Corporation, a prime contractor, unsupported monthly billings. On 15Nov99, an Inspector General subpoena was signed for immediate service to C/BAH, exhibit (1) pertains.

Exhibits

- (1) SUBPOENA DUCES TECUM/BAH/15Nov99
- (2) Certificate of Return of Service/ID #2000006-7255

L.NEML...Deliver exhibit (1) and the accompanying Certificate of Compliance letter to the custodian of records for C/BAH. Once the delivery is complete, execute the Certificate of Return of Service, exhibit (2), and return it to NCISRA New London with an appropriate IA.

Distribution

NCISHQ: 0023
NCISFO: NENP
ACTION: NEML

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(b)(6), (b)(7)(C)

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United States of America
Department of Defense
Office of the Inspector General

SUBPOENA DUCES TECUM

TO Custodian of Records, Booz, Allen and Hamilton, Incorporated, 101 Park Avenue,
New York, New York 10178

YOU ARE HEREBY COMMANDED TO APPEAR BEFORE Special Agent (b)(6), (b)(7)(C) or
any Special Agent of the United States Naval Criminal Investigative Service (NCIS) acting on
behalf of the Inspector General, pursuant to the Inspector General Act of 1978 (5 U.S.C.
App. 3), at the Naval Criminal Investigative Service Resident Agency, Building 98 in the City
of Groton Submarine Base and State/District of Connecticut on the 17th day of DECEMBER 1999,
at 10 o'clock a.m. of that day.

You are hereby required to bring with you and produce at said time and place the following
information, documents, reports, answers, records, accounts, papers, and other data and
documentary evidence pertaining to any and all records relating to services provided to
Electric Boat Corporation, a Department of Defense contractor, under purchase order
SND124-022, covering the period of June 1, 1993, through June 30, 1995, as specified in
Appendix A, which are necessary in the performance of the responsibility of the Inspector
General under the Inspector General Act to conduct and supervise audits and investigations
relating to, and to promote economy, efficiency, and effectiveness in the administration of, and
to prevent and detect fraud and abuse in, the programs and operations of the Department of
Defense.

IN TESTIMONY WHEREOF, the signature of the
undersigned Inspector General of the Department of
Defense is affixed at Arlington, Virginia, this 15th

(b)(6), (b)(7)(C)

UNIQUE IDENTIFICATION NUMBER: 2000006-7255

DD Form 2287, MAY 1999 (EG)

Previous editions are obsolete.

APPENDIX A

Any and all records, regardless if stored in paper files, magnetic tape, optical disk, electronic or other media, must be produced, including, but not limited to:

1. All professional time report documents that reflect the bi-monthly hourly rate and hours worked by Booz, Allen and Hamilton, Incorporated, employees on Electric Boat Corporation purchase order SND124-022. Additionally, any supporting hourly wage documentation needed to bolster the above professional time reports. An example of a professional time report, previously submitted to the Defense Contract Audit Agency, is provided as Appendix B.

2. All travel claims completed and/or submitted by Booz, Allen and Hamilton, Incorporated, employees in conjunction with work performed under Electric Boat Corporation purchase order SND124-022.

3. All personnel records for current and former corporate officers and employees who worked on Electric Boat Corporation purchase order SND124-022. In lieu of personnel records, a list may be provided that identifies the officers and employees by full name, current and last known address, home telephone number, date of birth, Social Security number, and job title. A list will be accepted provided that the complete personnel records remain available for production and/or review if necessary.

The required records include those that were prepared, written, sent, dated, received, or became applicable during the period of June 1, 1993, through June 30, 1995. All records required shall be produced in their entirety, including all exhibits, attachments, and enclosures.

UNIQUE IDENTIFICATION NUMBER: 2000006-7255

Time 06-08-30

PROFESSIONAL TIME REPORT

Version 1.6

From: Sep 16, 1996 To: Sep 30, 1996

Sent on Oct 02, 1965

Emp [REDACTED] Name: [REDACTED]

Available Activity

SUNSHY PAPERS

Tolr.)

88

BO
B
B
B
55

0	0	B	0	0	0	0	0	B	B
---	---	---	---	---	---	---	---	---	---

89.8%

Detail of Personnel Abundance

Date	Its Explanation
11/11/1964	1. The first of the two main groups of the population of the United States, the white population, is the largest and most numerous. It is the dominant group in the population of the United States, and it is the group that is most responsible for the economic and social progress of the United States. It is the group that has the most influence on the political and social life of the United States. It is the group that has the most power and the most resources. It is the group that has the most influence on the future of the United States.

CERTIFICATE OF COMPLIANCE

I, _____, of
(Name) (Title)

(Company/Institution/Agency)

certify the records I provided (either) to Special Agent _____,

or by certified mail accountability number _____, return receipt

requested, are accurate, complete, and in full compliance with the Department of Defense

Inspector General Duces Tecum number _____
(Unique Identification Number)

The following subpoenaed records are not provided. (If documents are withheld based on privilege, identify each document, specify its author and addressee, date, subject matter, all persons or entities to whom copies were furnished, and the basis of your claim of privilege.)

(Use attachment if necessary)

In accordance with Title 28, United States Code, Section 1746, I certify under penalty of perjury the foregoing is true and correct.

(Signature of Respondent)

(Date)

CERTIFICATE OF RETURN OF SERVICE

I HEREBY CERTIFY that on _____, 19____
at _____, I received the attached subpoena.
I further certify that on _____, 19____
at or about _____ m. at _____
served the subpoena upon _____ personally
(Time) (Location) (Name and Position or Title)

By _____
(Name)

(Title)
Date _____

DD Form 2287 Reverse, MAY 1999 (EG)

UNIQUE IDENTIFICATION NUMBER: 2000006-7255

FR0332B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

29OCT99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ISR/30Aug99

Case Summary

1. Subsequent to submission of reference (a), C/Electric Boat Corporation (EBC) was included in the above name identifier title of this investigation. Since C/EBC vice C/Booz Allen and Hamilton Inc (C/BAH) has actively billed the USN for these consulting costs, it was determined that C/EBC should be co-titled in this case. Additionally, a request for a DOD Inspector General subpoena was submitted that requests records from C/BAH. This IG subpoena, pending its approval, will be served on C/BAH in early Nov99.

Distribution

NCISHQ: 0023

NCISFO: NENP

(b)(6), (b)(7)(C)

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(b)(6), (b)(7)(C)

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FR0328B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (CHANGE)

13OCT99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY
C/ELECTRIC BOAT CORPORATION
GROTON, CT

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT,

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NENL ALS/02Jul98

Case Summary

1. Ref (A) originally initiated this case on C/Booz Allen and Hamilton Inc (BAH) because of suspected irregularities identified in an audit of indirect overhead costs. Within this audit, C/BAH, a subcontractor, submitted to C/Electric Boat Corporation (EBC), a prime contractor, unsupported monthly billings. Since C/EBC vice C/bah has actively billed the USN for these consulting costs, it should be included in the title block of this investigation.

Action

A.DIST...Include C/EBC in the Name Identifier Code above.

Distribution

NCISHQ: 0023
NCISFO: NENP
ACTION: 0023/NENP

(K) 14 OCT 99 15
P22 # 6583

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(b)(6), (b)(7)(C)

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FR0318B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

30AUG99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ROI/30Jun99

Case Summary

1. After consultation with the ACO and DCAA, it was determined that analysis of the consulting records subpoenaed from C/Booz, Allen, and Hamilton (C/BAH) is necessary. In order to reach this, on 04Jun99 a request was submitted to the DCAA Investigative Support Division who authorized auditing support on our behalf. A meeting has been scheduled between reporting agent and DCAA during the week of 20Sep99. At that time, discussions will focus on the data required to satisfy the contractual and FAR requirements.

Distribution

NCISHQ: 0023

NCISFO: NENP

(E) 01 SEP 99
peg # 6417

(b)(6), (b)(7)(C)
PAGE 1 LAST (b)(6), (b)(7)(C)

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FR0306B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

30JUN99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT/ (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

(A) NCISRA New London ROI/05May99

Case Summary,

1. On 28May99, (b)(6), (b)(7)(C) of Finance, Electric Boat Corporation (EBC), was interviewed concerning inadequate billing support provided by C/Booz Allen and Hamilton, Inc (C/BAH), a contractor to EBC. A previous DCAA audit on overhead costs identified C/BAH as having been in violation of the original EBC purchase order, to include FAR 31.205 and Company Policies and Procedures 22-302. At issue was the lack of appropriate submission of progress reports that provide evidence of a work product. (b)(6), (b)(7)(C) said that EBC executives during the course of the purchase order had weekly or biweekly meetings with executive personnel from C/BAH which satisfied the progress reports written in the contract. Further, in Sep97, a meeting between DCAA and C/BAH was held in the C/BAH offices and failed to resolve these discrepancies. Amplifying details are provided in (b)(6), (b)(7)(C) interview appended as exhibit (1).

Exhibit

(1) IA: Results of Interview (b)(6), (b)(7)(C) 28May99... (copy SUPSHIP only)

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Commanding Officer, SUPSHIP (M)

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AUTHORIZATION FROM THE NAVAL CRIMINAL INVESTIGATIVE SERVICE.

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON, INC

CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

On May 28, 1999, an interview was held in the office of (b)(6), (b)(7)(C) of finance, Electric Boat Corporation, concerning inadequate billing support provided by C/Booz Allen and Hamilton, Inc (C/BAH), a contractor to Electric Boat Corporation (EBC). In attendance at the meeting were (b)(6), (b)(7)(C) Special Agent (SA) (b)(6), (b)(7)(C) DCIS; and Special Agent (b)(6), (b)(7)(C) NCIS. Previously, a DCAA audit report on overhead cost identified C/BAH as having suspected irregularities that included violations of the Federal Acquisition Regulation (FAR) and violations of this purchase order, SND124-002. SA (b)(6), (b)(7)(C) provided (b)(6), (b)(7)(C) with a copy of the original purchase order between C/BAH and EBC, enclosure (1) pertains. In it, SA (b)(6), (b)(7)(C) presented the terms of the purchase order that were in question, section 4 (Fee and Expenses) and Section 8 (Activity Reports). In both instances, the purchase order states that BAH will or shall submit a bi-weekly statement that covers the project scope. (b)(6), (b)(7)(C) said the following:

First, he said that in the second section (section 8) of the original contract, it states that BAH shall submit, "when requested" bi-weekly progress reports. BAH personnel working at EBC had weekly or bi-weekly meeting with EBC executives and that act alone was enough to satisfy the progress reports requested in the contract. Further, he said that a tremendous amount of work was provide by BAH as evidenced by the apparent downsizing from a work-force of 24,000 employees to 8,000 employees. By direction of BAH, 13,000 documents have been produced in which any reviewer would infer the results of their work.

In Sep97 DCAA was invited to the offices of BAH in order to resolve these purchase order discrepancy issues that were starting to surface. An agreement to settle this was reached between (b)(6), (b)(7)(C) for DCAA, if BAH were to produce one month of their employee timecards for the time worked at EBC. BAH produced two months of timecards and a review of the sampling produced no irregularities. Yet, DCAA still insists in compliance with the FAR and the terms of the contract.

(b)(6), (b)(7)(C) feels that DCAA reneged on the agreement that was made in the BAH office in '97. He's aware that DCAA brought the matter to their region and they supported BAH's attempts to rectify this issue. (b)(6), (b)(7)(C) said the reason why BAH commercial division, vice governmental division, received this contract was because the commercial division specialized is corporate restructuring as opposed to the governmental division that deal mostly with operations. (b)(6), (b)(7)(C) BAH was believed to have taken the minutes from the Sep97 meeting and may have noted the above agreement

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AUTHORIZATION FROM THE NAVAL CRIMINAL INVESTIGATIVE SERVICE.

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON, INC

CCN: 01JUL98-NENL-0163-4MJD

between BAH and DCAA.

NAME: (b)(6), (b)(7)(C)

BIOGRAPHICAL DATA

EMPLOYMENT: (b)(6), (b)(7)(C) OF FINANCE, ELECTRIC BOAT CORPORATION...

REPORTED BY:

(b)(6), (b)(7)(C)

OFFICE:

NCISRA NEW LONDON

DATE TYPED:

28MAY99

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FR0291B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

05MAY99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ROI/04Mar99

Case Summary,

1. Subsequent to reference (a), a DCAAF form 2000, dated 16Apr99, arrived which identified suspected irregularities with consulting contractors to Electric Boat Corporation (C/EBC). Specifically, this document states that consulting services, especially with C/Booz Allen and Hamilton, Inc (C/BAH) are in non-compliance with the Federal Acquisition Regulation (FAR) 31.205-33, exhibit (1) pertains. Further, C/BAH is also non-compliant with the Corporate Policy and Procedures imposed by EBC to all their contractors and the original and subsequent contracts between EBC and C/BAH. The cumulative contract amount expended to C/BAH amounts to \$23 million.

2. On 29Apr99, reporting and participating agents joined the author of the above DCAAF (form) 2000 in a meeting with
(b)(6), (b)(7)(C) for
Supervisor of Shipbuilding, Conversion and Repair (SUPSHIP), C/EBC. The discussion focused on the non-compliance of C/BAH. (b)(6), (b)(7)(C) understands DCAA's views from the DCAAF (form) 2000 and explained his attempts to convince (b)(6), (b)(7)(C) of EBC Finance, to encourage C/BAH to submit evidence of their work. His efforts have been fruitless, exhibit (2) pertains. Investigation continues.

Exhibits

- (1) DCAAF (form) 2000/EBC/16Apr99... (copy U.S. Attorney only)
- (2) IA: Results of meeting with (b)(6), (b)(7)(C) 30Apr99... (copy U.S. Attorney, SUPSHIP)

Participating Agents

(b)(6), (b)(7)(C)

, Special Agent, NCISRA New London
Special Agent, DCIS-Hartford, CT

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Commanding Officer, SUPSHIP (M)/Dave Sheldon, Assistant
U.S. Attorney, New Haven, CT (M)

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PAGE 1

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AUTHORIZATION FROM THE NAVAL CRIMINAL INVESTIGATIVE SERVICE.

01JUL98-NENL-0163-4MJD

05MAY99

C/BOOZ ALLEN AND HAMILTON INC
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

***** corrected copy *****

(b)(6), (b)(7)(C)
PAGE

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SUSPECTED IRREGULARITY REFERRAL FORM

Follow enclosed guidance and DCAA Instruction 7640.16 when providing the following information:

1. Name, FAO, RORG number, telephone and FAX numbers, and e-mail address of the auditor preparing the referral.

(b)(6), (b)(7)(C)

2. Contractor's name, division, and address. Identify if the contractor is a small/disadvantaged (8a) firm.

Electric Boat Corporation, 75 Eastern Point Rd., Groton, CT

3. Government entities (e.g. Navy, DOE, HHS, etc.) affected by irregularity. If possible, identify contract(s), types, amounts, and major program(s) affected. Indirect costs allocated to numerous NAVSEA contracts from 1993 to 1998 including major construction contracts such as N0024-88-C-2196 - 688XII; N00024-89-C-2000 - Seawolf I; N00024-91-C-2902 - Seawolf II; N00024-96-C-2108 - Seawolf III;

4. Classification of irregularity (See the enclosed instructions). 6A, 6B

5. Prepare, on a separate page, a concise description of the irregularity. Include the following criteria: **who, what, where, when, how, how much.** If possible, identify regulatory provisions and/or statutes violated. Attach documentation (appropriately cross-referenced) as necessary.

6. Reason for treating this as other than normal questioned costs (e.g.; if suspected fraud, where is the material statement, which is false, and why do you think it is known by the maker to be false?)

Procuring consulting services outside normal business practices, contractor's failure to obtain cost or pricing data in a single source procurement to support the reasonableness of the costs, failure to adequately monitor costs.

7. Estimated loss or impact to the Government. Explain basis and any reasons for limited current visibility of total losses. \$23,000,000 plus (still ongoing purchase order) at this location. In addition, there are between 8-10 other consultants not supported by the proper documentation (see attachment 1 for a listing by year).

8. Signature of Auditor and FAO Manager and date (must be signed and dated).

Date

3/29/99

Date

4/16/99

9. Distribution: Headquarters OAL, ACO/PCO, and Cognizant Investigator (See Appendix 1 of DCAA I 7640.16). Identify all addresses.

EXHIBIT (/)

INSTRUCTIONS FOR PREPARATION OF FORM 2000

GENERAL:

Information which suggests a reasonable basis for suspicion of fraud, corruption, or unlawful activity affecting Government contracts must be reported promptly. For reporting purposes, **fraud** is defined as: **a material statement of fact which is false, and known to be false**. Other reportable irregularities include Kickbacks, Gratuities, Illegal Political Contributions, Foreign Corrupt Practices Act violations, and Agreements in Restraint of Trade. Activities **not** reportable on the form 2000 include matters such as (1) those already known by the Government, (2) Voluntary Disclosures, and (2) unsatisfactory conditions (CAM 4-800).

An effective referral requires close communication between auditors, supervisors and FAO Managers. It is suggested that you also coordinate with your Regional Investigative Support Division (RSI) if there are any questions about whether or not to refer the matter, keeping in mind the need for **promptness**. Follow instructions in CAM 4-700 and DCAAI 7640.16 in preparing the Form. Use continuation pages as necessary, especially for question 5, keeping in mind the need for conciseness. Signature by the FAO Manager denotes that appropriate review was accomplished and you agree that the information presented raises a reasonable suspicion of fraud, corruption, or other unlawful activity.

Classification of Irregularity (Form 2000, Item 4):

To assist the investigator in evaluation of the material presented, indicate in item 4 which of the following classifications best fits the matter being referred (more than 1 classification may apply):

- | | | |
|------------------------------|--------------------------------|----------------------------------|
| 1. Defective Pricing | 5. False Claims/Certifications | 8. Ethical Violations |
| a. Pattern of Activity | a. Equitable Adjust. Claims | a. Kickbacks |
| b. Other (explain) | b. Termination Settlements | b. Gratuities |
| 2. Billing Irregularities | c. Indirect Cost Certification | c. Political Contributions |
| a. Progress Payments | d. Other (explain) | d. Foreign Corrupt Practices Act |
| b. Public vouchers | 6. Consultants/Subcontractors | e. Bribery |
| c. Other (explain) | a. Consulting Irregularities | f. Restraint of Trade |
| 3. Labor Irregularities | b. Subcontract Irregularities | g. Other (explain) |
| a. Timekeeping | 7. Materials | 9. Other Irregular Activity |
| b. IR&D/B&P Mischarges | a. Product Substitution | a. Conspiracy |
| c. Other (explain) | b. MMAS | b. Obstruction of Audit |
| 4. Accounting Mischarging | c. Other (explain) | (see CAM 4-708) |
| a. FAR 31/CAS 405 Violations | | c. Other (explain) |
| b. Improper Transfers | | |
| c. Unallocable Costs | | |
| d. Other (explain) | | |

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ ALLEN AND HAMILTON, INC

CCN: 01JUL98-NENL-0163-4MJD

INVESTIGATIVE ACTION: RESULTS OF MEETING WITH THE

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

On 29Apr99, a meeting was held with

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

for the Supervisor of Shipbuilding, Conversion and Repair (SUPSHIP), Electric Boat Corporation of General Dynamics, CT (EBC). The meeting, located in the SUPSHIP's area at EBC, was attended by

(b)(6), (b)(7)(C)

DCAA; Special Agent

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) DCIS; Special Agent

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) NCIS; and Special Agent (b)(6), (b)(7)(C) NCIS. The focus of this meeting was the DCAA Suspected Irregular Referral Form (DCAAF 2000-2) as it pertains to the procuring of consulting services of Booz Allen and Hamilton, Inc (BAH).

For the purposes of background, DCAA conducted a series of audits on overhead and indirect costs. During these audits, and during a fiscal year 1994 audit, a pattern of inadequate billing of consulting costs emerged. Specifically, BAH did not comply with requirements of FAR 31.205-33, in that, BAH did not submit properly invoiced accounts of their work performed. The lack of inadequate invoices is in non-compliance with EBC's contract agreement with BAH and EBC's Corporate Policies and Procedures.

(b)(6), (b)(7)(C) understands DCAA's views and has attempted to convince (b)(6), (b)(7)(C) vice-president of EBC finance, of BAH's lack of compliance. (b)(6), (b)(7)(C) continued that without the work product, he will not settle this issue for overhead costs FY 1993-forward until the matter is resolved. It should be noted that these consultants were paid in excess of 23 million to date.

The panel agreed to meet with (b)(6), (b)(7)(C) one last time in order to convince him to pressure BAH into complying with the above regulations. Special Agents (b)(6), (b)(7)(C) will schedule a meeting with (b)(6), (b)(7)(C) in late May in order to discuss these issues. If, at the conclusion of this meeting, BAH continues to remain non-compliant, SA (b)(6), (b)(7)(C) will consider a subpoena of the work product from BAH.

REPORTED BY:
OFFICE:
DATE TYPED:

(b)(6), (b)(7)(C)

NCISRA NEW LONDON
30APR99

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Pages 512 through 557 redacted for the following reasons:

Page (557): Duplicate of page (511)

Pages (512) - (556): Referred to the Headquarters, Defense Contract Audit Agency, Attn: Resources, FOIA Public Liaison, 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060-6219

FR0272B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

04MAR99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT/ (b)(6), (b)(7)(C) SPECIAL AGENT

Reference

(A) NCISRA New London ISR/04Jan99

Case Summary,

1. Subsequent to submission of Ref (A), on 26Jan99, reporting agent and participating agent (b)(6), (b)(7)(C) were briefed by (b)(6), (b)(7)(C) Referred to the Headquarters, Defense Contract Audit Agency Attn: Resources, FOIA Public Liaison 8725 John J. Kingman Road, Suite 2135 Fort Belvoir, VA 22060-6219 DCAA, concerning (b)(6), (b)(7)(C)

Referred to the Headquarters, Defense Contract Audit Agency
Attn: Resources, FOIA Public Liaison, 8725 John J. Kingman Road, Suite 2135, Fort Belvoir, VA 22060-6219

2. On 08Feb99, reporting agent met with Dave Sheldon, Assistant U.S. Attorney, and briefed him on the status of this case. Present during the meeting were (b)(6), (b)(7)(C) DCAA; (b)(6), (b)(7)(C) DCAA; and (b)(6), (b)(7)(C) Affirmative Civil Enforcement, U.S. Attorney's Office. It was resolved that DCAA should further examine C/BAH work product documents provided to EBC.

Exhibits

- (1) BAH invoice/EBC/31Aug94... (Copy U.S. Attorney's Office)
- (2) BAH invoice/EBC/01Dec94... (Copy U.S. Attorney's Office)

Participating Agent

(b)(6), (b)(7)(C)

Special Agent, DCIS Resident Agency, Hartford, CT

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: Dave Sheldon Assistant U.S. Attorney's Office, New Haven, CT/SA (b)(6), (b)(7)(C) DCIS-Hartford, CT

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PAGE 1 LAST (b)(6), (b)(7)(C)

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Pages 559 through 560 redacted for the following reasons:

Pages (559) - (560), Exhibits (1) - (2): Write to Booz Allen & Hamilton, 8283 Greensboro Drive
McLean, Virginia 22102

FR0261B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

04JAN99

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ISR/03Nov98

Case Summary

1. Subsequent to submission of reference (a), (b)(6), (b)(7)(C) DCAA, continues to audit the work product provided to Electric Boat Corporation by C/Booz Allen Hamilton Inc (C/BAH). To date, no substantial information has surfaced. The audit is on schedule and will be completed in late Jan99.

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: David Sheldon, Assistant U.S. Attorney, New Haven, CT (M)

(b)(6), (b)(7)(C)

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PAGE 1 LAST (b)(6), (b)(7)(C)

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FR0253B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

03NOV98

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Reference

(A) NCISRA New London ISR/02Sep98

Case Summary

1. Reference (a) reported that Electric Boat Corporation (EBC), General Dynamics, permitted the Defense Contract Audit Agency (DCAA) to review the work product provided by C/Booz Allen Hamilton Inc (BAH) for the years 1993 to present. On the week of 19Oct98, EBC released BAH files to (b)(6), (b)(7)(C) DCAA. Subsequent to its release, DCAA continues to audit the EBC files in order to determine allocability and reasonableness of the work product. The audit is scheduled to be completed in the Dec98/Jan99 timeframe.

Distribution

NCISHQ; 0023

NCISFO: NENP

INFO: David Sheldon, Assistant US Attorney, New Haven, CT

(b)(6), (b)(7)(C)

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FR0242B

//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

02SEP98

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Case Summary

1. This investigation was initiated after review of a Defense Contract Audit Agency (DCAA) audit report which reported overhead costs incurred by Electric Boat Corporation (EB), Groton, CT. This review disclosed the high cost of consultant fees and lack of documentation in support of those consultant fees by C/Booz Allen and Hamilton Inc (C/BAH), a contractor to EB. Suspected irregularities were identified in this audit which include, monthly invoices from C/BAH that did not contain the number of hours expended, rate per hour, or travel expenses. These expenditures are required by the contract agreement, which was signed by executives from C/BAH and EB, exhibit (1) pertains. Additionally, the Federal Acquisition Regulation (FAR) 31.205, dictates that the "fees for services rendered (by C/BAH) shall be allowable only when supported by evidence of the nature and scope of service furnished.

2. On 05Aug98, (b)(6), (b)(7)(C) DCAA auditor, indicated that EB has permitted DCAA to review the work product provided by C/BAH. (b)(6), (b)(7)(C) was later interviewed and stated that the audit of this work product would consist of using statistical samples to assure the allowability of their costs. The results of this audit will be completed in the Oct/Nov 98 time frame.

3. On 06Aug98, a meeting with Tony Kaplan and David Sheldon, Assistant U.S. Attorneys, New Haven, CT, was held to discuss this investigation. Collectively, they felt the case should be examined from a civil issue vice a criminal. They recommend that the audit by DCAA involving allowable costs should be completed first before proceeding to further investigative/civil efforts.

Exhibit

(1) EB Division contract/BAH/26May93...(copy US Attorney)

Distribution

NCISHQ: 0023

NCISFO: NENP

INFO: David Sheldon, Assistant US Attorney, New Haven, CT

(b)(6), (b)(7)(C)

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Pages 564 through 569 redacted for the following reasons:

Pages (564) - (569), Exhibit (1): Write to Booz Allen & Hamilton, 8283 Greensboro Drive, McLean, Virginia 22102

FR0231B
//23/NP//

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (OPEN)

02JUL98

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT/

(b)(6), (b)(7)(C)

SPECIAL AGENT

Case Summary

1. This investigation was initiated after review of a Defense Contract Audit Agency (DCAA) audit report on overhead costs incurred by Electric Boat Corporation, Groton, CT (EB). This review disclosed the high cost of consultant fees and lack of documentation in support of those consultant fees by S/Booz Allen and Hamilton Inc (C/BAH). After review of the DCAA audit and discussions with the author of this audit, suspected irregularities were identified which include, monthly invoices from C/BAH that did not contain the number of hours expended, rate per hour, or travel expenses. These expenditure are required by the contract agreement, signed by C/BAH and the Federal Acquisition Regulation (FAR) 31.205. Coincidentally, a DCIS Special Agent reviewing subcontracts at EB identified contractual irregularities with C/BAH under the same contract. In a recent Fraud Working Group meeting with DCIS Hartford, the collective discussion identified suspected cost mischarging relating to these consulting costs on this subcontract. Further discussion identified the need to initiate a joint investigation placing NCIS as the lead agency, with DCIS concentrating on potential subcontractor kickbacks. Fraud Working Group members from AFOSI and Army CID were also separately briefed on the initiation of this investigation.

2. 18 USC 1001 (false statements) and 18 USC 287 (false claims) applies.

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NCISFO: NENP

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ACTION/LEAD SHEET (OPEN)

02JUL98

COST MISCHARGING (II)

CONTROL: 01JUL98-NENL-0163-4MJD

C/BOOZ ALLEN AND HAMILTON INC
NEW YORK, NY

COMMAND/SUPSHIP GROTON, CT/62789

MADE AT/NENL/NCISRA NEW LONDON, CT

(b)(6), (b)(7)(C)

SPECIAL AGENT

Case Summary

1. This investigation was initiated after review of a Defense Contract Audit Agency (DCAA) audit report on overhead costs incurred by Electric Boat Corporation, Groton, CT (EB). This review disclosed the high cost of consultant fees and lack of documentation in support of those consultant fees by S/Booz Allen and Hamilton Inc (C/BAH). After review of the DCAA audit and discussions with the author of this audit, suspected irregularities were identified which include, monthly invoices from C/BAH that did not contain the number of hours expended, rate per hour, or travel expenses. These expenditure are required by the contract agreement, signed by C/BAH and the Federal Acquisition Regulation (FAR) 31.205. Coincidentally, a DCIS Special Agent reviewing subcontracts at EB identified contractual irregularities with C/BAH under the same contract. In a recent Fraud Working Group meeting with DCIS Hartford, the collective discussion identified suspected cost mischarging relating to these consulting costs on this subcontract. Further discussion identified the need to initiate a joint investigation placing NCIS as the lead agency, with DCIS concentrating on potential subcontractor kickbacks. Fraud Working Group members from AFOSI and Army CID were also separately briefed on the initiation of this investigation.

2. 18 USC 1001 (false statements) and 18 USC 287 (false claims) applies.

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NCISFO: NENP

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(b)(6), (b)(7)(C)

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NAVAL CRIMINAL INVESTIGATIVE SERVICES
RECORDS MANAGEMENT DIVISION
LAW ENFORCEMENT RECORDS

Name: BOOZ ALLEN AND HAMILTON INC

AKA:

Social Security Number:

Context: S

Date of Birth:

State of Birth:

Country of Birth:

Case Number: 27DEC9020FW0129

Dossier: 253804

DCII INDEX CODE:
K = 50 YEARS

RECORD SERIES #:
5580/4A(1)(B)

Date Closed:
19910319

RECORD SERIES (FILE PLAN)

Gen Mgmt, Sec & Safety Svcs - Provide Security Svcs - Law Enforcement - NCIS Criminal Investigative - Controlled Death & Sex Investigations

Criminal Investigative Reports

COMMENTS

Imaged by IMC

☐ Polygraph Examination Conducted

☐ Finger Prints Submitted to Code 24B3

☐ Sexual Offender Registry Completed

☐ Final Disposition Report to FBI

CIS - _____

☐ Closed Status ☐ Dup Title ☐ Dup CCN

Disclosure/Accountability Statement: If this investigation is disseminated outside NCIS, complete NCIS Form 009/10-80, and ensure it is retained in the case file.

I _____ certify that this document has been reviewed and is complete.

DATE

SIGNATURE

Unclassified when separated from attachment unless otherwise indicated.

F13-1073 000572

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D# 25-38-04



NAVAL INVESTIGATIVE SERVICE COMMAND

RETENTION CONTROL SHEET

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SECNAVINST 3820.2A - INITIAL REVIEW

Date Acquired/Reviewed:

25 APR 1991

Retention Decision

60

90

1 YR

EXEMPT

xx

(b)(6), (b)(7)(C)

Reviewer's Signature

Code

ANNUAL REVIEW

Date
Reviewed:

Reviewer's Signature

Code

Date
Reviewed:

Reviewer's Signature

Code

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IF CLASSIFIED - OPNAVINST 5510.1 APPLIES

NSIC HQ CRIMINAL INVESTIGATIONS DIRECTORATE REVIEW SHEET

SUBJECT: C/BOOZ-ALLEN AND HAMILTON INC.

CCN: 27DEC90-20FW-0129-4/HNA/Z

XREFS:
NAME

ROI PARA

DISSEMINATION

DATE: 24 MAY 1991

CC: 10 APR 91

OP-29

FF

212C2

RECHARGE

NMPC 115

NMPC 82

DCIS

NMPC 83

USACIDC

NSGHQ

AFOSIHQ

CMC

AFIP

NAFC WASH.

DODIG

POLYGRAPH:

MIL POSTAL SVCS AGENCY

NAVSEASYS COM - IG

REQ.

NAVINGEN 5/13/91

NAVAIRSYS COM - IG

AUTH.

NAVSUPPSYS COM - IG

NAVFACENG COM - IG

CANC.

DEF LOGISTICS AGENCY

NAVSPA WAR - IG

NAVMEDCOM - IG

NSIC - 29

NAVCOMPT

NAVRESSO

OTHER:

DATE:

REVIEWER:

NOTES:

12 APR 1991

(b)(6), (b)(7)(C)

25 APR 1991

(b)(6), (b)(7)(C)

**CLOSED
IN CCS**

Received Closed

17 APR 1991

U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (DATA)

10APR91

BRIBERY (II)

CONTROL: 27DEC90-20FW-0129-4HNA/Z

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA, MD

COMMAND/NISCOMHQ/63285

MADE AT/20FW/RFU WASHINGTON, DC

(b)(6), (b)(7)(C)

SPECIAL AGENT

INVESTIGATIVE DATA

1 = NA
2 = NA
3 = H
4 = B
5 = 83
6 = 0391
7 = NA
8 = 0391
9 = C
10 = A2
11 = 161620208
12 = NA
13 = D
14 = NA
15 = NA
16 = C
17 = NA
18 = NA
19 = D
20 = NA
21 = C
22 = NA
23 = F
24 = B
25 = I

(b)(6), (b)(7)(C)

11 APR 1991

DISTRIBUTION

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NISRO: 20HQ

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F13-1073 000575

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03APR91

C/BOOZ-ALLEN AND HAMILTON INC
U.S. NAVAL INVESTIGATIVE SERVICE

ALLEGED PROPRIETARY INFORMATION DURING THE 14DEC90 MEETING.

6. ON 12MAR91, THE BACKGROUND, CIRCUMSTANCES AND RESULTS OF THIS INVESTIGATION WERE PRESENTED TO MR. JOHN KLEIN, ASSISTANT U.S. ATTORNEY (AUSA) FOR THE EASTERN DISTRICT OF VIRGINIA. AUSA KLEIN ADVISED THAT SINCE C/BAH WAS UNABLE TO USE THE ALLEGED PROPRIETARY INFORMATION TO A COMPETITIVE ADVANTAGE (C/BAH LOST THE PROCUREMENT), AND DUE TO THE LACK OF INFORMATION OR EVIDENCE SUGGESTING A PAYMENT BY C/BAH TO A GOVERNMENT SOURCE FOR THE INFORMATION, HIS OFFICE WOULD NOT ENTERTAIN PROSECUTION OF THIS CASE. EXHIBIT (5) IS THE U.S. DEPARTMENT OF JUSTICE (DOJ) FRAUD AND CORRUPTION TRACKING (FACT) FORM REQUIRED FOR THE PROSECUTIVE REFERRAL OF THIS INVESTIGATION TO DOJ.

7. CONSIDERING THE ABSENCE OF PROSECUTIVE INTEREST BY DOJ, THIS INVESTIGATION IS CLOSED. THERE IS NO GOVERNMENT LOSS.

EXHIBITS

- (1) IA: RESULTS OF INTERVIEW-(b)(6), (b)(7)(C)/11JAN91...(ORIG 0023/COPY ALL)
- (2) IA: CONTRACT FILE REVIEW (UNCLASSIFIED) FOR RPP-90-R -5849/11JAN91...(ORIG 0023/COPY ALL)
- (3) COPY OF MEMORANDUM FROM (b)(6), (b)(7)(C) 04JAN91...(COPY ALL)
- (4) IA: RESULTS OF INTERVIEW-(b)(6), (b)(7)(C) 19FEB91...(ORIG 0023/COPY ALL)
- (5) ORIGINAL AND ATTACHED COPY OF U.S. DEPARTMENT OF JUSTICE FRAUD AND CORRUPTION TRACKING FORM/UNDATED...(0023AR ONLY)

ACTION/LEAD

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A. 0023AP...PLEASE APPRISE APPROPRIATE SPECIAL ACCESS PROGRAM OFFICIALS OF THE CLOSING OF THIS INVESTIGATION.

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(b)(6), (b)(7)(C)

F13-1073 000576

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 27DEC90-20FW-0129-4HNA

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

ON 11 JANUARY 1991, (b)(6), (b)(7)(C) WAS INTERVIEWED AT HIS WORK OFFICE BY NIS SPECIAL AGENT (b)(6), (b)(7)(C), WHO IS A CONTRACTING OFFICER AT THE NAVAL RESEARCH LABORATORY (NRL) WAS ADVISED HE WAS BEING INTERVIEWED TO AMPLIFY PRELIMINARY INFORMATION PROVIDED TO THE NIS CONCERNING THE POSSIBLE RELEASE OF PROPRIETARY (SOURCE SELECTION) CONTRACT INFORMATION TO CORPORATE OFFICIALS OF BOOZ-ALLEN HAMILTON INC (BAH) OF BETHESDA, MD, BY UNKNOWN GOVERNMENT SOURCE(S). THE PROPRIETARY INFORMATION PERTAINS TO A TASK ORDER ON A CLASSIFIED PROCUREMENT AWARDED TO HRB, INC., OF STATE COLLEGE, PA.

(b)(6), (b)(7)(C) REPORTED THAT THE MATTER FIRST BECAME KNOWLEDGE TO HIM DURING A 14 DECEMBER 1990 DEBRIEFING MEETING WITH CORPORATE OFFICIALS FROM BAH, THE INCUMBENT CONTRACTOR UNDER THE REQUEST FOR PROPOSAL (RFP) FOR THE PROCUREMENT. IN ADDITION TO HIMSELF, (b)(6), (b)(7)(C) IDENTIFIED THE FOLLOWING INDIVIDUALS WHO ATTENDED THE MEETING:

(b)(6), (b)(7)(C)

SPACE AND NAVAL TECHNOLOGY OFFICE, NRL BRANCH
OFFICE HEAD

PROGRAM TECHNICAL DIRECTOR, NRL

(b)(6), (b)(7)(C)

USN--THE CONTRACTING OFFICER'S TECHNICAL
REPRESENTATIVE (COTR) FOR THE TASK
ORDER

(b)(6), (b)(7)(C)

--PROGRAM MANAGER FOR BAH

(b)(6), (b)(7)(C)

--HEAD OF CONTRACTS FOR BAH

*AN ATTORNEY REPRESENTING BAH, IDENTIFIED BY (b)(6), (b)(7)(C) WITH HAVING
THE INITIALS OF (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

REFERRED TO ENCLOSURE (1), A MEMORANDUM (b)(6), (b)(7)(C) PREPARED FOR

(b)(6), (b)(7)(C)

USN, THE ASSISTANT COMMANDER, SPACE TECHNOLOGY
DIRECTORATE, NRL, RELATING HIS (b)(6), (b)(7)(C) ACCOUNT OF THE 14DEC90
DEBRIEF MEETING WITH BAH OFFICIALS. ACCORDING TO (b)(6), (b)(7)(C) THE POSSIBLE
RELEASE OF PROPRIETARY INFORMATION CONCERNS THE FOLLOWING TWO ITEMS
FOR TASK IV, RFP 90-R-5849:

- 1) BAH'S KNOWLEDGE THAT HRB'S SUBMITTED PROPOSAL DID NOT INCLUDE RESUMES FOR KEY HRB PERSONNEL, AND THAT THE GOVERNMENT HAD TO SPECIFICALLY REQUEST RESUMES FOR THE PERSONNEL FROM HRB DURING BEST AND FINAL OFFERS. (SOURCE SELECTION ITEM)
- 2) BAH'S KNOWLEDGE THAT HRB TOOK EXCEPTION TO THE ORGANIZATIONAL CONFLICT OF INTEREST CLAUSE FOR THE

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 27DEC90-20FW-0129-4HNA

PROCUREMENT THAT RESULTED IN THE GOVERNMENT GIVING HRB THE OPPORTUNITY TO WITHDRAW THEIR OBJECTION TO THE CLAUSE AFTER THE BEST AND FINAL OFFERS (BAFO'S). (SOURCE SELECTION ITEM)

(b)(6), (b)(7)(C) STATED THAT OF THE THREE BAH OFFICIALS/REPRESENTATIVES ATTENDING THE DEBRIEF MEETING, BAH PROGRAM MANAGER (b)(6), (b)(7)(C) WOULD PROBABLY BE THE MOST RECEPTIVE TO AN INTERVIEW TO DISCUSS THE MATTER. (b)(6), (b)(7)(C) REPORTED THAT IN ADDITION TO THE DEBRIEF MEETING HE ATTENDED, THE SAME INFORMATION WAS CONVEYED THAT SAME DATE DURING A MEETING ATTENDED BY (b)(6), (b)(7)(C) (SPAWAR DEPUTY DIRECTOR FOR OPERATIONS AND PROGRAM DEVELOPMENT) WITH (b)(6), (b)(7)(C) (SUPRA) AND (b)(6), (b)(7)(C) A VICE PRESIDENT FOR BAH. DURING THAT MEETING, BAH OFFICIALS COMPLAINED OF "UNPROFESSIONALISM" ON THE PART OF THE GOVERNMENT IN THE HANDLING OF THE PROCUREMENT.

(b)(6), (b)(7)(C) WAS THEN ASKED IF HE SUSPECTED ANYONE WITH PROVIDING PROPRIETARY CONTRACT INFO TO BAH. (b)(6), (b)(7)(C) WAS UNABLE TO IDENTIFY A SUSPECT BUT SURMISED IT COULD HAVE BEEN SOMEONE ON (b)(6), (b)(7)(C) (SUPRA) STAFF. (b)(6), (b)(7)(C) AGREED, HOWEVER, TO PROVIDE NIS WITH A LIST OF ALL GOVERNMENT PERSONNEL WITH SUFFICIENT INVOLVEMENT IN THE TASK ORDER FOR THE PROCUREMENT TO BE CONSIDERED A SUSPECT.

ENCLOSURE

(1) MEMORANDUM FROM (b)(6), (b)(7)(C) /UNDATED

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NIS RFU WASHINGTON, D.C.
DATE TYPED: 20FEB91

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Pages 579 through 581 redacted for the following reasons:

Pages (579) - (581), Enclosure (1): Referred to the FOIA Coordinator
Naval Research Laboratory, Code 1030, 4555 Overlook Ave., SW
Washington, DC 20375-5320

U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 27DEC90-20FW-0129-4HNA

INVESTIGATIVE ACTION: CONTRACT FILE REVIEW

A CONTRACT FILE REVIEW WAS CONDUCTED ON 11 JANUARY 1991 WITH THE ASSISTANCE OF
(b)(6), (b)(7)(C) CONTRACTING OFFICER, GM-15, SPACE AND NAVAL TECHNOLOGY OFFICE,
NAVAL RESEARCH LABORATORY (NRL) PERTAINING TO THE AWARD OF TASK IV UNDER RFP
NO. 90-R-5849 FOR SETA FOR 5C/51.

TASK IV, RFP-90-R-5849

CONTRACT NUMBER: 91-C-5226

DATE OF AWARD: 28 NOVEMBER 1990

NEGOTIATOR: (b)(6), (b)(7)(C), SPACE AND NAVAL TECHNOLOGY OFFICE, NRL

PCO: (b)(6), (b)(7)(C) CONTRACTING OFFICER, SPACE AND NAVAL TECHNOLOGY
OFFICE, NRL

ACO: SPACE AND NAVAL TECHNOLOGY OFFICE, NRL

CONTRACTOR: HRB SYSTEMS, INC., STATE COLLEGE, PA

TYPE OF AWARD: COST PLUS FIXED FEE (CPFF) FOR THE FIRST YEAR.
EXTENSION OPTION MUST BE EXERCISED BY THE
GOVERNMENT AFTER THE FIRST YEAR.

COMPETITION: SOLICITATION WAS ACCOMPLISHED UNDER THE PROVISIONS OF
10 USC 2304 (C) (6) FOR OTHER THAN FULL AND OPEN
COMPETITION.

AWARD AMOUNT: \$663,782--BASE YEAR
\$263,324--1ST YEAR OPTION
\$275,155--2ND YEAR OPTION
\$286,781--3RD YEAR OPTION
\$298,353--4TH YEAR OPTION

\$1,787,395--TOTAL COST OF AWARD, INCLUDING OPTION EST.

U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 27DEC90-20FW-0129-4HNA

BACKGROUND: THE SOLICITATION FOR RFP 90-R-5849 ORIGINATED FROM A SPECIAL PROCUREMENT REQUEST (SPR) IN MAY 1990 FROM THE 5C DIVISION AND CONTRACTING OFFICE FOR ENGINEERING SUPPORT FOR THE 5C DIVISION. A SOURCE SELECTION PLAN WAS DEVELOPED BY THE GOVERNMENT THAT IDENTIFIED THIRTY POTENTIAL SOURCES FOR THE REQUIREMENT. THE RFP FOR THE PROCUREMENT WAS ISSUED 08 AUG 1990, AND CLOSED 14 SEP 1990.

ON 29 OCT 1990, NEGOTIATOR (b)(6), (b)(7)(C) FORWARDED A MEMORANDUM TO THE CONTRACT AWARD REVIEW PANEL (CARP) ENCLOSING EVALUATIONS (TECHNICAL, MANAGEMENT, AND COST) FOR PROPOSALS RECEIVED FROM AVTEC, BOOZ-ALLEN & HAMILTON INC.(THE INCUMBENT FOR THE PROPOSAL), GRUMMAN, AND HRB SYSTEMS INC. HRB WAS INITIALLY EVALUATED AS NON-RESPONSIVE DUE TO THE LACK OF RESUMES FOR KEY HRB PERSONNEL INVOLVED AS REQUIRED UNDER THE RFP.

ON 01 NOV 1990 THE CARP MET AND REVIEWED THE RECOMMENDATIONS OF THE EVALUATION BOARDS. THE CARP DETERMINED AN APPENDIX WAS MISSING FROM THE HRB PROPOSAL WHICH WAS FELT, MIGHT CONTAIN THE MISSING RESUMES. THE CARP, ON THAT BASIS, EVALUATED HRB AS WITHIN THE COMPETITIVE RANGE, ALSO CITING THE FACT THAT HRB SCORED HIGHEST IN TWO TECHNICAL AREAS AND SUBMITTED THE LOWEST COST PROPOSAL. BEST AND FINAL OFFERS (BAFO'S) WERE REQUESTED FROM THE OFFERORS.

28 NOV 1990, NEGOTIATOR (b)(6), (b)(7)(C) SUBMITTED THE RESULTS OF THE EVALUATION BOARDS ANALYSIS OF THE REVISED PROPOSALS AND THE BAFO'S. THE TECHNICAL EVALUATION BOARD (TEB) CITED THE HRB PROPOSAL FOR PROVIDING INSUFFICIENT RESUMES AND UNDERESTIMATING THE MAN HOURS REQUIRED. THE TEB RANKED THE HRB PROPOSAL THIRD TECHNICALLY.

PAGE 2 OF 3

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U.S NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 27DEC90-20FW-0129-4HNA

ON 28 NOV 1990, THE CARP CONVENED TO CONSIDER THE
REPORTS OF THE EVALUATION BOARDS. THE CARP RECOMMENDED
THE AWARD OF TASK IV FOR RFP 90-R-5849 TO HRB SYSTEMS INC.,
BASED UPON THE FOLLOWING:

- A) TECHNICALLY, ALL TOP THREE OFFERORS SCORED
WITHIN THREE POINTS OF EACH OTHER.
- B) WHILE THE TEB EXPRESSED THE VIEWPOINT THAT
THE HRB EFFORT WAS NOT PROPERLY STAFFED, THE
CARP CONCLUDED THAT HRB HAD INFORMATION AND/OR
PRIOR EXPERIENCE THAT WOULD PROMOTE EFFICIENCY.

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NIS RFU WASHINGTON, DC
DATE TYPED: 14 JAN 1990

PAGE 3 OF 3

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Pages (585) - (589), Exhibit (3): Referred to the FOIA Coordinator
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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 27DEC90-20FW-0129-4HNA

INVESTIGATIVE ACTION: RESULTS OF INTERVIEW

ON 19 FEBRUARY 1991, (b)(6), (b)(7)(C) WAS INTERVIEWED IN THE PRESENCE OF CORPORATE LEGAL COUNSEL AT HIS OFFICE LOCATED AT 4330 EAST WEST HIGHWAY BY NIS SPECIAL AGENT (b)(6), (b)(7)(C) WHO IS A (b)(6), (b)(7)(C) OF BOOZ-ALLEN AND HAMILTON INC., (BAH) OF BETHESDA, MD, WAS ADVISED HE WAS BEING INTERVIEWED IN A NON-CUSTODIAL ENVIRONMENT CONCERNING HIS KNOWLEDGE OF THE POSSIBLE RECEIPT OF PROPRIETARY (SOURCE SELECTION) INFORMATION BY BAH PERTAINING TO A CLASSIFIED PROCUREMENT AWARDED TO HRB SYSTEMS INC., OF STATE COLLEGE, PA. SPECIFICALLY, WRIGHT WAS INFORMED HE WAS BEING INTERVIEWED CONCERNING INFORMATION DISCLOSED BY BAH (THE INCUMBENT CONTRACTOR FOR THE PROCUREMENT) DURING A 14DEC90 DEBRIEFING MEETING WITH THE GOVERNMENT ATTENDED BY WRIGHT AND SEVERAL OTHER CORPORATE OFFICIALS.

IN RESPONSE TO INITIAL QUESTIONING, (b)(6), (b)(7)(C) CONFIRMED HE ATTENDED THE MEETING IN QUESTION ON 14DEC90, ALONG WITH BAH CONTRACTS MANAGER (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) A CORPORATE COUNSEL FOR BAH. ACCORDING TO (b)(6), (b)(7)(C) SERVED AS THE SPOKESMAN FOR BAH DURING THE DEBRIEFING MEETING WITH THE GOVERNMENT.

(b)(6), (b)(7)(C) WAS THEN QUESTIONED REGARDING HIS RECOLLECTION OF THE FOLLOWING ISSUES DISCLOSED BY BAH DURING THE 14DEC90 DEBRIEFING MEETING WITH THE GOVERNMENT:

*BAH'S KNOWLEDGE THAT HRB DID NOT PROVIDE RESUME'S FOR KEY PERSONNEL REQUIRED UNDER THE RFP, AND CLAIMS BY BAH THAT THE GOVERNMENT HAD TO REQUEST THE RESUMES FROM HRB AT BEST AND FINAL OFFERS.

*BAH'S KNOWLEDGE OF HRB'S POSITION WITH REGARD TO THE ORGANIZATIONAL CONFLICT OF INTEREST CLAUSE FOR THE PROCUREMENT. SPECIFICALLY, CLAIMS MADE BY BAH THAT HRB HAD DECLINED THE AWARD UNLESS THE CLAUSE WAS DELETED, AND THAT THE GOVERNMENT GAVE HRB THE OPPORTUNITY TO WITHDRAW THEIR OBJECTION.

(b)(6), (b)(7)(C) INDICATED A RECOLLECTION OF THE ISSUES BUT CLAIMED HE HAD ONLY LIMITED HEARSAY INFORMATION CONCERNING THESE ISSUES. (b)(6), (b)(7)(C) DECLINED TO PROVIDE ANY FURTHER AMPLIFICATION CONCERNING THE SOURCE(S) OF HIS LIMITED INFORMATION. (b)(6), (b)(7)(C) HOWEVER, DID IDENTIFY (b)(6), (b)(7)(C) (SENIOR ASSOCIATE), AND (b)(6), (b)(7)(C) AS BAH EMPLOYEES WHO WERE FAMILIAR WITH THE PREVIOUS WORK DONE BY BAH FOR THE PROCUREMENT.

IN CLOSING THE INTERVIEW, (b)(6), (b)(7)(C) NOTED THAT IN HIS VIEWPOINT, IT WAS SIGNIFICANT THAT THE INFORMATION DISCLOSED BY BAH DURING THE 14DEC90 DEBRIEF MEETING WAS REVEALED AFTER THE TASK ORDER HAD BEEN AWARDED TO HRB, AND AFTER NOTIFICATIONS OF THE AWARD TO HRB HAD BEEN PROVIDED TO BOTH BAH AND HRB.

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U.S. NAVAL INVESTIGATIVE SERVICE

TITLE: C/BOOZ-ALLEN AND HAMILTON INC
CCN: 27DEC90-20FW-0129-4HNA

BIOGRAPHICAL DATA

(b)(6), (b)(7)(C)

REPORTING AGENT: (b)(6), (b)(7)(C)
OFFICE: NIS RFU WASHINGTON, D.C.
DATE TYPED: 20FEB91

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

19MAR91

ERIBERY (II)

CONTROL: 27DEC90-20FW-0129-4HNA

C/BOOZE-ALLEN AND HAMILTON INC
BETHESDA, MD

COMMAND/NISCOMHQ/63285

MADE AT/20FW/RFU WASHINGTON, DC

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) NIS RFU WASHINGTON, DC ISR/20FEB91

CASE SUMMARY

1. INVESTIGATION INITIATED AFTER RFU WASHINGTON, DC RECEIVED INFORMATION FROM THE SPACE & NAVAL WARFARE SYSTEMS COMMAND, THAT C/BOOZE-ALLEN & HAMILTON INC. (C/BAH), MAY HAVE RECEIVED PROPRIETARY (SOURCE SELECTION) CONTRACT INFORMATION FROM AN UNKNOWN GOVERNMENT SOURCE FOR A TASK ORDER ON A CLASSIFIED PROCUREMENT AWARDED TO HRB INC. THE INFORMATION CAME TO LIGHT DURING A GOVERNMENT DEBRIEFING WITH C/BAH, THE INCUMBENT CONTRACTOR UNDER THE REQUEST FOR PROPOSAL (RFP) FOR THE PROCUREMENT.

2. DURING THIS REPORTING PERIOD, MR. JOHN KLEIN, ASSISTANT U.S. ATTORNEY (AUSA) FOR THE EASTERN DISTRICT OF VIRGINIA WAS BRIEFED ON THE BACKGROUND, CIRCUMSTANCES, AND RESULTS OF THE INVESTIGATION TO DATE. MR. KLEIN ADVISED REPORTING AGENT THAT SINCE IT APPEARS THAT C/BAH WAS UNABLE TO USE THE ALLEGED PROPRIETARY (SOURCE SELECTION) INFORMATION TO A COMPETITIVE ADVANTAGE (C/BAH LOST THE PROCUREMENT), AND DUE TO THE LACK OF INFORMATION OR EVIDENCE TO SUGGEST A PAYMENT BY C/BAH TO A GOVERNMENT SOURCE FOR THE INFORMATION, HIS OFFICE WOULD NOT ENTERTAIN PROSECUTION OF THIS CASE.

3. AS A RESULT OF THE BRIEFING WITH AUSA KLEIN, IT IS ANTICIPATED THIS INVESTIGATION WILL BE CLOSED DURING THE NEXT REPORTING PERIOD.

BEFORE CLOSING, HOWEVER, AN INTERVIEW WILL BE ATTEMPTED WITH (b)(6), (b)(7)(C) THE C/BAH COUNSEL FUNCTIONING AS THE CORPORATE SPOKESMAN DURING THE DEBRIEFING MEETING (REFERENCE (A) PERTAINS).

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

20FEB91

BRIBERY (II)

CONTROL: 27DEC90-20FW-0129-4HNA

C/BOOZ-ALLEN AND HAMILTON INC
BETHESDA, MD

COMMAND/NISCOMHQ/63285

MADE AT/20FW/RFU WASHINGTON, DC

(b)(6), (b)(7)(C)

SPECIAL AGENT

REFERENCE

(A) NIS RFU WASHINGTON ISR/23JAN91

CASE SUMMARY

1. INVESTIGATION INITIATED AFTER RFU WASHINGTON, DC RECEIVED INFORMATION FROM THE SPACE & NAVAL WARFARE SYSTEMS COMMAND, THAT C/BOOZE-ALLEN & HAMILTON INC., MAY HAVE RECEIVED PROPRIETARY (SOURCE SELECTION) CONTRACT INFORMATION FROM AN UNKNOWN GOVERNMENT SOURCE FOR A TASK ORDER ON A CLASSIFIED PROCUREMENT AWARDED TO HRB INC. THE INFORMATION CAME TO LIGHT DURING A GOVERNMENT DEBRIEFING WITH C/BOOZ-ALLEN & HAMILTON INC., THE INCUMBENT CONTRACTOR UNDER THE REQUEST FOR PROPOSAL (RFP) FOR THE PROCUREMENT.

2. DURING THIS REPORTING PERIOD, THE CONTRACTING OFFICER FOR THE PROCUREMENT PROVIDED A LIST OF GOVERNMENT AND CONTRACTOR PERSONNEL INVOLVED WITH THE PROCUREMENT HAVING SUFFICIENT KNOWLEDGE/INVOLVEMENT TO BE CONSIDERED A POSSIBLE SUSPECT. AN INTERVIEW WAS CONDUCTED WITH

(b)(6), (b)(7)(C)

FOR C/BOOZ-ALLEN AND HAMILTON INC., WHO WAS IDENTIFIED AS A PARTICIPANT DURING THE GOVERNMENT DEBRIEFING FOR THE PROCUREMENT. DURING THE INTERVIEW, HOWEVER,

(b)(6), (b)(7)(C) DENIED ANY FIRST HAND KNOWLEDGE CONCERNING THE SOURCE OF THE INFORMATION DISCLOSED BY C/BOOZ-ALLEN AND HAMILTON INC., DURING THE DEBRIEFING MEETING. ACCORDING TO (b)(6), (b)(7)(C) THE INFORMATION WAS PROVIDED BY (b)(6), (b)(7)(C) A CORPORATE COUNSEL FOR C/BOOZ-ALLEN AND HAMILTON INC., WHO WAS FUNCTIONING AS THE CORPORATE SPOKESMAN DURING THE DEBRIEFING MEETING. INVESTIGATION IS CONTINUING, PENDING A REVIEW OF THE PROSECUTIVE MERITS OF THIS CASE BY THE U.S. ATTORNEY'S OFFICE, EASTERN DISTRICT OF VIRGINIA.

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27 FEB 1991

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U.S. NAVAL INVESTIGATIVE SERVICE

INVESTIGATIVE SUMMARY REPORT (PENDING)

23JAN91

BRIBERY (II)

CONTROL: 27DEC90-20FW-0129-4HNA

C/BOOZ-ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISCOMHQ/63285

MADE AT/20FW/RFU WASHINGTON, DC/

(b)(6), (b)(7)(C)

SPECIAL AGENT

CASE SUMMARY

1. INVESTIGATION INITIATED AFTER RFU WASHINGTON, DC RECEIVED INFORMATION FROM THE SPACE & NAVAL WARFARE SYSTEMS COMMAND, THAT C/BOOZE-ALLEN & HAMILTON INC., MAY HAVE RECEIVED PROPRIETARY (SOURCE SELECTION) CONTRACT INFORMATION FROM AN UNKNOWN GOVERNMENT SOURCE FOR A TASK ORDER ON A CLASSIFIED PROCUREMENT AWARDED TO HRB INC. THE INFORMATION CAME TO LIGHT DURING A GOVERNMENT DEBRIEFING WITH C/BOOZ-ALLEN & HAMILTON INC., THE INCUMBENT CONTRACTOR UNDER THE REQUEST FOR PROPOSAL (RFP) FOR THE PROCUREMENT.

2. ALSO DURING THIS PERIOD, THE CONTRACT FILE FOR THE AFFECTED TASK ORDER WAS REVIEWED BY REPORTING AGENT. THE CONTRACTING OFFICER FOR THE TASK ORDER WAS INTERVIEWED AND AGREED TO PREPARE A LIST OF GOVERNMENT PERSONNEL FOR THE PROCUREMENT HAVING SUFFICIENT KNOWLEDGE/INVOLVEMENT TO BE CONSIDERED A POSSIBLE SUSPECT. INVESTIGATION CONTINUES, PENDING INTERVIEWS WITH GOVERNMENT AND CONTRACTOR PERSONNEL INVOLVED WITH THE TASK ORDER PROCUREMENT.

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U.S. NAVAL INVESTIGATIVE SERVICE

ACTION/LEAD SHEET (OPEN)

27DEC90

BRIBERY (II)

CONTROL: 27DEC90-20FW-0129-4HNA

C/BOOZ-ALLEN & HAMILTON INC
BETHESDA, MD

COMMAND/NISCOMHQ/63285

MADE AT/20FW/RFU WASHINGTON, DC (b)(6), (b)(7)(C) SPECIAL AGENT

CASE SUMMARY

1. INVESTIGATION WAS INITIATED AFTER RFU WASHINGTON, DC RECEIVED INFORMATION FROM THE SPACE & NAVAL WARFARE SYSTEMS COMMAND, THAT C/BOOZ-ALLEN & HAMILTON INC., MAY HAVE RECEIVED PROPRIETARY (SOURCE SELECTION) CONTRACT INFORMATION FROM AN UNKNOWN GOVERNMENT SOURCE FOR A TASK ORDER ON A CLASSIFIED PROCUREMENT AWARDED TO HRB INC. THE INFORMATION CAME TO LIGHT DURING A GOVERNMENT DEBRIEFING WITH C/BOOZ-ALLEN & HAMILTON INC., THE INCUMBENT CONTRACTOR UNDER THE RFP FOR THE PROCUREMENT.

2. THIS INVESTIGATION WILL BE WORKED UNDER SUSPECTED VIOLATION OF TITLE 18, USC, SECTION 201 (BRIBERY AND GRATUITIES), AND POSSIBLE VIOLATION OF 41 USC 423, SECTION 27 AS AMENDED, THAT ESTABLISHED NEW RULES PROHIBITING THE DISCLOSURE OF PROPRIETARY INFORMATION BY GOVERNMENT AND CONTRACTOR PERSONNEL DURING THE CONDUCT OF PROCUREMENTS.

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☒ NO RECORD
☐ NEW DOSSIER
☐ FILE PRESENTLY CHARGED TO:

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F13-1073 000595

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